

Speaker's table and, under the rule, referred as follows:

S. Con. Res. 19. Concurrent resolution to designate "Bourbon whiskey" as a distinctive product of the United States; to the Committee on Ways and Means.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1989. An act to authorize the government of the Virgin Islands to issue general obligation bonds.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 24 minutes p.m.) under its previous order, the House adjourned until Tuesday, November 12, 1963, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1361. A letter from the Secretary of State, transmitting the Second Annual Report on the Operations of the Center for Cultural and Technical Interchange Between East and West (East-West Center) for the fiscal year 1962, pursuant to Public Law 86-472; to the Committee on Foreign Affairs.

1362. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the Weather Bureau to make appropriate reimbursement between the respective appropriations available to the Bureau, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1868. An act to amend the act of August 3, 1956 (70 Stat. 986), as amended, relating to adult Indian vocational training; with an amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MATHIAS:

H.R. 9094. A bill to authorize the President to declare July 9, 1964, as Monocacy Battle Centennial in commemoration of the 100th anniversary of the Battle of Monocacy; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 9095. A bill to provide under the social security program for payment for hospital and related services to aged beneficiaries; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 9096. A bill prohibiting lithographing or engraving on envelopes sold by the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FINO:

H.R. 9097. A bill for the relief of Liborio Tortorici; to the Committee on the Judiciary.

By Mr. WATTS:

H.R. 9098. A bill for the relief of Dr. Ruhi K. Turkyilmaz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

439. The SPEAKER presented a petition of Henry Stoner, General Delivery, Worland, Wyo., requesting legislation providing for the liquidation of the Small Business Administration, which was referred to the Committee on Banking and Currency.

SENATE

FRIDAY, NOVEMBER 8, 1963

(Legislative day of Tuesday, October 22, 1963)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, Thou Father of all mankind, whose paths are mercy and truth: Before the white splendor of Thy purity, every vileness shrinks away.

Lift us, we pray Thee, as we come, above the smog of the immediate, and set our gaze on the wide horizons of abiding verities. In the anxious contemplation of conditions that baffle us, in the grip of swift currents which sweep us on, contending with evil forces whose hideous cruelty stabs our hearts with anguish, it is only the ultimate reality of Thy presence in such a world and the final invincibility of Thy truth which keep our feet from slipping in the whelming flood.

This day fix our eyes not just on what we vow before Thee to tear down, but upon what in Thy name and for the sake of all Thy children we pledge as channels of Thy might to build up.

With the burdens we all bear, guard our lips from chilling criticism which may unjustly wound some comrade plodding bravely on, with a heavy load, by our side.

We bring our prayer in the Redeemer's name. Amen.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE. Mr. President, in order that the Senate may have before it a pending question, other than the bill itself, I call up my amendment No. 306, so that it will be the pending question.

Mr. MANSFIELD. Mr. President, I understand that the purpose of the Senator from Oregon is to have an amendment laid before the Senate, so that the Senate may be informed as to what the next question will be.

The PRESIDENT pro tempore. The amendment (No. 306) of the Senator from Oregon to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. On page 47 of the committee amendment, as amended, it is proposed to strike out lines 15 to 21, inclusive, as follows:

(1) No assistance shall be furnished on a grant basis under this Act to any economically developed nation capable of sustaining its own defense burden and economic growth, except (1) to fulfill firm commitments made prior to July 1, 1963, or (2) additional orientation and training expenses under part II hereof during fiscal year 1964 in an amount not to exceed \$1,000,000.

And to insert the following:

(1) No assistance shall be furnished under this Act to any economically developed nation, except to fulfill firm commitments made prior to July 1, 1963. The President is directed to make no further commitments for assistance to such economically developed nations and is directed to terminate such commitments made prior to July 1, 1963, at the earliest practicable time. The President is further directed to report, not later than July 1, 1965, to the Speaker of the House and to the Senate Foreign Relations Committee on the steps which he has taken to comply with this provision.

As used in this subsection, the term "economically developed nation" means any nation listed as an exception to the definition of "economically less developed nation" contained in United Nations General Assembly Resolution 1875 (S. IV) and, in addition, the German Federal Republic and Switzerland.

Mr. MORSE. Mr. President, this amendment is known as the United Nations amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment (No. 306) of the Senator from Oregon to the committee amendment, as amended.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, November 7, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On November 4, 1963:

S. 1064. An act to amend the act redefining the units and establishing the standards of electrical and photometric measurements to provide that the candela shall be the unit of luminous intensity.

On November 7, 1963:
S. 1523. An act to make certain changes in the functions of the Beach Erosion Board and the Board of Engineers for Rivers and Harbors, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, it was ordered that there be a morning hour with statements limited to 3 minutes.

MAINTENANCE OF ORDER

Mr. YOUNG of Ohio. Mr. President, I demand order. Certain attachés who stand around the Chamber and engage in loud conversation have no business here, and make only a conversation parlor of the Senate Chamber. The Sergeant at Arms should keep clear the space around the doorways and along the walls of the Senate Chamber, so that Senators may hear the proceedings. These fellows should be working, instead of loafing, anyway.

The PRESIDENT pro tempore. The Sergeant at Arms will take notice, and the Senate will be in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

INSPECTION OF CERTAIN TOWING VESSELS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to require the inspection of certain towing vessels (with accompanying papers); to the Committee on Commerce.

REIMBURSEMENT BETWEEN APPROPRIATIONS OF THE WEATHER BUREAU

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Weather Bureau to make appropriate reimbursement between the respective appropriations available to the Bureau, and for other purposes (with accompanying papers); to the Committee on Commerce.

REPORT ON NEGOTIATED PURCHASES AND CONTRACTS MADE BY THE COAST GUARD

A letter from the Administrative Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on negotiated purchases and contracts made by the Coast Guard, since May 19, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON EDUCATIONAL EXCHANGE PROGRAM

A letter from the Chairman, the Board of Foreign Scholarships, Department of State, transmitting pursuant to law, a report on the educational exchange program carried out under the Mutual Educational and Cultural Exchange Act of 1961 dated October 1963 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON PERSONAL PROPERTY RECEIVED BY STATE SURPLUS PROPERTY AGENCIES AND REAL PROPERTY DISPOSED OF TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal property received by State surplus property agencies and real property disposed of to Public

Health and Educational institutions, for the quarter ended September 30, 1963 (with an accompanying report); to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. Res. 218. Resolution conveying to the National Academy of Sciences and the National Research Council congratulations for its contributions to science and technology.

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 639)

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report favorably, with amendments, the bill (S. 298) to amend the Small Business Act of 1958, and I submit a report thereon. I ask that the report be printed, together with the minority views of the Senator from Wisconsin [Mr. PROXMIRE].

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Alabama.

AMENDMENT OF SMALL BUSINESS ACT—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 640)

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report favorably, with an amendment, the bill (S. 1309) to amend the Small Business Act, and for other purposes, and I submit a report thereon. I ask that the report be printed, together with the minority views of the Senator from Wisconsin [Mr. PROXMIRE].

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Alabama.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FONG:

S. 2297. A bill to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Fong when he introduced the above bill, which appear under a separate heading.)

By Mr. HART (for himself and Mr. HUMPHREY):

S. 2298. A bill to establish a Commission on the Application of Technology to Community and Manpower Needs, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HART when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

EXPEDITIOUS CONSIDERATION OF BUSINESS DURING NEXT SESSION OF CONGRESS

Mr. PROXMIRE submitted a resolution (S. Res. 224) favoring the adoption by the leadership of the two Houses of a schedule looking to expeditious consideration of business during the next session of the Congress, which was ordered to lie on the table.

(See the above resolution printed in full when submitted by Mr. PROXMIRE, which appears under a separate heading.)

REVISION OF PROCEDURES ESTABLISHED BY HAWAII STATEHOOD ACT, RELATING TO THE CONVEYANCE OF CERTAIN LANDS TO HAWAII

Mr. FONG. Mr. President, the bill I am introducing today revises the procedures of the Hawaii Statehood Act providing for transfer of surplus Federal lands to the State of Hawaii.

Land is a very scarce and precious commodity in Hawaii. The State stretches 1,600 miles between its farthest points, but our land area totals only 6,435 square miles, only 4,119,400 acres.

The act of March 18, 1959, the Hawaii Statehood Act, passed by the U.S. Congress, provided for admission of Hawaii into the Union of States. As part of this act, provision was made for return of lands in Federal possession which were surplus to Federal needs. This was to be accomplished within a period of 5 years after statehood. August 21, 1964, is the deadline.

There are two categories of Federal surplus lands, ceded and purchased. Ceded land is public land which the Republic of Hawaii voluntarily gave free to the U.S. Government when the islands became a U.S. Territory in 1898.

Purchased land is land which the Federal Government acquired thereafter by purchase, condemnation, donation, exchange, or otherwise.

It is important to remember that, prior to annexation, Hawaii was an independent nation and owned all of its public lands. These lands—290,000 acres—were all ceded to the Federal Government without charge. Subsequently, the Federal Government obtained 120,000 acres through land exchanges. At the time of statehood, the Federal Government possessed a total of 410,000 acres obtained free of charge.

Time is running out for transfer of surplus Federal lands to Hawaii. It is only 9 months to the August 21, 1964, deadline. The necessary paperwork, investigations, and determinations of surplus properties have taken far longer than anticipated. An extension of time is sorely needed.

Furthermore, while there was general agreement that surplus ceded lands were to be returned to Hawaii, a disagreement has arisen between the executive branch and the State of Hawaii with regard to purchased lands. The State has held that Congress intended that land acquired by the United States by purchase,

condemnation, donation, exchange, or otherwise were to be returned to Hawaii without cost if surplus to Federal needs. The Attorney General of the United States, on June 12, 1961, held otherwise.

This disagreement resulted in a court case brought by the State of Hawaii to obtain a ruling on the meaning of the Statehood Act relative to purchased lands.

This past spring the Supreme Court declined to consider the case on the ground that the Federal Government had not given its consent to be sued. Therefore, I introduced a bill (S. 1396) giving Hawaii the necessary permission.

The Senate Committee on the Judiciary, on October 29, unanimously approved my bill, saying in the committee report that "it is only fair and right that the State of Hawaii should be entitled to its day in court."

Obviously, since the August 21, 1964, deadline is imminent, additional time will be necessary to effect the transfers of surplus purchased lands if it is determined that the Federal Government has such authority to transfer these parcels.

The bill I am introducing today extends the deadline for both ceded and purchased lands. In addition, my bill provides for the return of a tract of filled land on Sand Island in Hawaii regarding which title is in doubt and there is question as to whether it is ceded land or submerged land.

Section 1, relating to ceded lands, is identical to section 1 of S. 2275, which was drafted by the Bureau of the Budget and which I am cosponsoring with my colleague, the junior Senator from Hawaii [Mr. INOUE]. In a letter accompanying the draft bill, the Director of the Bureau of the Budget, Mr. Kermit Gordon, stated:

We believe that Hawaii has a unique claim on the lands and property involved since they were originally given to the United States by the Republic or the Territory of Hawaii. That claim and the special status of those lands and property have been recognized by the United States for many years. In essence, the proposal would provide for the continuation of a 60-year practice of returning those lands and property when they were no longer needed by the United States.

The bulk of the lands involved, which were ceded at the time of annexation, have always been treated differently than the other public lands of the United States. History clearly indicates that those lands were regarded as having been held in a special trust status by the United States for the benefit of the Hawaiian people. The resolution of annexation barred the extension of Federal public land laws to Hawaii and provided that the revenues from the ceded land, except for those used by the United States, were to be used solely for the benefit of the inhabitants of Hawaii.

Therefore, the Budget Bureau bill and the bill I am introducing today provide a procedure whereby the ceded and other lands and properties which are set aside may continue to be returned to the State of Hawaii whenever they become surplus to Federal needs.

The Budget Bureau believes such action "is fully justified in keeping with the manner in which the lands and properties were acquired and the history of the special trust status in which they have been held."

While the lands would generally be returned to the State without monetary consideration, section 1 of the draft does authorize the Administrator to make such conveyances subject to any terms and conditions he may prescribe. It is anticipated that that authority would be used primarily to preserve utility easements and to protect Federal interests in other properties which it retains. Provision is also made for safeguarding the U.S. interest in buildings, structures, and other improvements made on the lands after they were set aside. In the event that the surplus lands contain such improvements which have an estimable fair market value, under section 1 of the draft, the Administrator must require the State to pay such fair market value before the lands and improvements are conveyed. In the event the State does not agree to the payment, the Administrator may remove the improvements and dispose of them under other applicable laws or, if they cannot be removed without substantial damage, he may dispose of both the improvements and the lands involved under other applicable laws. In the latter case, in keeping with Hawaii's claim to the land, the Administrator would be required to pay over to the State that portion of any proceeds equal to the value of the land involved.

The bill I am introducing today, however, provides something more than the Budget Bureau bill (S. 2275). My bill provides for return to Hawaii of surplus federally purchased lands—that is lands acquired by the United States by purchase, condemnation, donation, exchange, or otherwise—which were owned by the United States on the date Hawaii was admitted into the Union—August 21, 1959—which were retained by the United States pursuant to subsection 5(c) of the Statehood Act—March 18, 1959—and which are no longer needed by the Federal Government.

But these lands are not to be transferred to Hawaii unless within 5 years following the date of enactment of my bill, the U.S. Attorney General or the Supreme Court rules that section 5(e) of the Hawaii Statehood Act authorized such transfer.

In other words, my bill does not ask Congress to transfer to Hawaii free of charge surplus Federal purchased lands. My bill only asks Congress to allow Hawaii time to obtain a ruling—by the Nation's highest Court or by the Attorney General—that lands authorized to be transferred under the Statehood Act include purchased lands.

I want to emphasize that my bill confines surplus purchased lands to those lands held or retained as of Hawaii's statehood—not those acquired after August 21, 1959.

I also want to emphasize that the interest of the Federal Government is amply protected in that it is the Federal Government, and only the Federal Government, which will make the determination as to whether any ceded lands become surplus to it in the future. So that this provision for return of lands rests upon the sole determination of the Federal Government. The State of Hawaii will have no voice in the decision as to

what, if any, lands become surplus to the U.S. Government.

I believe the Congress and the people of the United States can rest assured that the Federal Government will protect the national interest in any determination as to what, if any, ceded lands are surplus to all Federal needs.

The third major feature of my bill—identical to the provisions in the Budget Bureau bill—provides for the return to Hawaii of the last approximate one-third of Sand Island.

During the years Hawaii was a monarchy and a Republic, Sand Island, sometimes known as Quarantine Island, was less than 10 acres of dry land.

In 1899, after a Hawaii court ruled that the lands in the area around Honolulu Harbor were held in trust for the people of Hawaii, the territorial government went to court to quiet title to these lands because private parties were claiming title to some of them. As the Federal Government was using Sand Island as a quarantine station, it was natural that the United States wanted to clear up the title, too. In the resulting compromise, private claimants gave up their claims to Sand Island in favor of the Federal Government. In return, the Territory of Hawaii gave to these private claimants land patents to the reef land area in the Iwilei district.

Over the years, the Federal Government added fill to the Sand Island area enlarging it to its present size of about 528 acres.

In 1943, by authority of the Hawaii Organic Act of 1900, the Territorial Governor set aside for the Hawaii Aeronautics Commission about 125 acres of Sand Island not being used by the Federal Government. It was assumed at that time that Sand Island, in spite of being mainly filled land, was ceded land that either the President or the Governor could set aside.

But in 1958, when the U.S. Army declared excess an additional 202 acres on Sand Island, the Justice Department questioned whether the filled lands were ceded lands which could be transferred to Hawaii under the Hawaii Organic Act. Therefore, in 1958, Congress passed a law authorizing the President to issue an Executive order transferring the 202 acres to the Territory of Hawaii. This was done in Executive Order No. 10833 in 1959.

Thus, of the 528 acres on Sand Island, Hawaii, prior to statehood, had already received 327 acres.

After statehood, Hawaii claimed an additional 155 Federal surplus acres on Sand Island as ceded lands and asked for their return. Hawaii also asked for approximately 87 acres which are under water. Hawaii does not claim the 46 acres needed by the Coast Guard.

The Justice Department contends part of Sand Island is ceded, but other parts are filled and submerged lands. Thus, my bill and the Budget Bureau bill provide for the third and last phase in the return of Sand Island lands by the Federal Government.

As the Director of the Budget Bureau, who drafted the bill, said:

The proposal would provide for continuation of a 60-year practice of returning those

lands and property when they were no longer needed by the United States.

Finally, section 2 of my bill provides that any conveyances to the State of Hawaii under section 1 shall be considered part of, and subject to the terms and conditions of the public trust established by section 5(f) of the Hawaii Statehood Act. That trust, which already applies to all the ceded lands returned to Hawaii under provisions of the Statehood Act, requires that the lands involved and the proceeds therefrom shall be held by the State for the support of public schools, betterment of the conditions of native Hawaiians, making of public improvements, and other limited public purposes.

What is asked in my bill is congressional recognition of Hawaii's unique land situation and equity and fair play for our State.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2297) to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes, introduced by Mr. FONG, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

COMMISSION ON THE APPLICATION OF TECHNOLOGY TO COMMUNITY AND MANPOWER NEEDS

Mr. HART. Mr. President, I introduce, for appropriate reference, a bill proposing the establishment of a Commission on the Application of Technology to Community and Manpower Needs.

Joining me in placing this proposal before the Senate is the senior Senator from Minnesota [Mr. HUMPHREY].

Within the last decade, largely as a result of the federally supported space, defense, atomic energy, and public health research and development programs, great new advances have been made in technological frontiers. In propulsion, electronics, communications, materials, medicine and other key areas unprecedented gains have been made in overcoming age-old obstacles.

There are strong indications that the technological advances of recent years have established new frontiers of progress in areas of civilian concern and particularly in those which involve community resources and welfare. For example, in the foreseeable future there are prospects for new technological and industrial development in such fields as urban transportation, health care, low-cost housing, water utilization, education, and communications.

Congress is now considering whether the Government should participate in the development of a supersonic transport plane. As a member of the Aviation Subcommittee of the Committee on Commerce, I am participating in these hearings. Among many justifications advanced for this program, one is that it will keep in being the American aerodynamics industry with its complex of

technical skills. The development cost is too large to be undertaken by private capital.

In the case of the supersonic plane the Government is proposing to participate in a major technological advance unconnected with either defense or space exploration—participation that may well cost three-quarters of a billion dollars. When presented with this type of request, the Congress should be able to judge what could be accomplished if an equal amount of public research and development money was committed to meet community needs.

Just as in the case of the supersonic transport plane, the probable high cost and the political and social factors involved in the application of new technologies to large-scale human and community needs will require Government participation in some manner.

The Commission study we propose today would have the primary task of seeking ways to focus these private and public resources on widespread human and community needs. For example, the Commission would be asked to report whether the research team that designed a space capsule disposal system for 3 men for 2 weeks might not also seek new concepts in water and waste disposal systems for a community of 50,000 homes.

And, would it be feasible to ask the electronics specialists who designed the display and complex communications network for the Strategic Air Command to find ways of bringing to every American classroom the most up-to-date visual communications system?

A short time ago, Dr. Jerome B. Wiesner, Director of the Office of Science and Technology, appeared before the House Subcommittee on Science, Research, and Development, and presented a comprehensive statement on "Federal Research and Development: Policies and Prospects."

Dr. Wiesner's statement points to the need for a joint approach by the Congress and the executive branch that could be accomplished through the proposed Commission. For example, in discussing technical innovation and its role in our society, Dr. Wiesner said:

But security means more than arms. It means good relations with others, a strong economy, and a healthy people, and science contributes in a major way to all these objectives. We must also strive to find means to make our continued investment in the technology of national security hold more relevance for those areas of our economy that do not receive the same measure of our resources. And we must meet demands for continuing technical innovation to develop substitutes for familiar shortages, to confront pollution in our environment created by industrial and urban life, and to adjust imbalances in our economy created by technology itself.

Today we are trying to understand the new implications and possibilities of all these changing needs and opportunities in science, just as we once wrestled primarily with military problems. Our basic problem in the Government, in the broadest sense, is to bring this understanding of technology to bear on serving the collective needs of our people. It is a process that must combine the skills of the statesman, the scientific

expert, the engineer and, I might add, the entrepreneur or industrialist, and it is a task that demands a major effort and the utmost imagination of all concerned.

He pointed to the importance of the Congress working closely with the executive branch in these words:

The task of determining objectives for our science and technology is one of the foremost problems facing our entire society and, through their constitutional partnership, confronts both the legislative and executive branches. I have already indicated that we view these choices as falling into the categories of science in policy and policy in science. Both represent uniquely complex challenges to our traditional governing processes. On the one hand, we must find ways to bring to bear the most relevant considerations of science and technology and the best technical judgment on major national choices and levels of support in areas of defense, health, welfare, and education. How much can we afford to do as a people, and where among several competing end-uses shall we place our limited resources?

In their broad outlines, Mr. Chairman, these are the kinds of choices that our loosely knit systems of public and private decisionmaking traditionally accomplish with considerable versatility and wisdom, but the complex and dangerous world in which we now live calls for extraordinary effort to encompass technical considerations with which the vast majority of our people are largely unfamiliar. These basic choices of emphasis, which in our system largely rest with the Congress, are major challenges to our sense of leadership and responsibility.

An additional benefit from the Commission study would be a greater understanding of the feasibility of a transfer of industrial skills and technology from defense-oriented programs to work on programs in the civilian sector. There is growing interest in how defense or space-oriented industries would fare if there were sizable reductions in appropriations resulting from steps toward disarmament or a stretchout of time schedules in space exploration.

The primary reason for this proposal is not to look at problems connected with conversion of industrial and manpower skills from defense efforts, but the reports of such a Commission study would be of significant value in better understanding these problems. We need to look to new applications of technology regardless of whether today's levels of defense and space funding move up or down, or remain the same.

There are two aspects of this situation which are worthy of examination by the most competent group possible. There is the need to examine thoroughly our technological development, particularly that resulting from the Federal Government's research and development effort, with a view to pointing out those areas potentially most promising for civilian and industrial exploitation, but which for one reason or another need emphasis and participation by the Federal Government to bring them to fruition.

There is also a need to examine this technology with a view to defining those areas of potential application whose exploitation would create new industries—industries which would require substantial segments of the available manpower and labor force resulting from the foreseeable growth in population.

The Hoover Commission's success in meeting the complex assignment given it provides an organizational pattern which is followed here.

This mixed Commission would have 14 members as follows: Eight appointed by the President of the United States, four from the constituent Federal agencies belonging to the Federal Council for Science and Technology, and four from private life who have had distinguished careers in labor, industry, local government, or higher education; two appointed by the President of the Senate from Members of the Senate; two appointed by the Speaker of the House of Representatives from Members of the House of Representatives; and two appointed by the President of the National Academy of Science.

Such a Commission would undertake a study of current technological advances, as well as their future growth potential through 1970, with a view to pointing out those areas which would be most suitable for the application of new technologies to the meeting of significant community and national needs. The participation of both Government and private research should be considered.

The report should focus particularly upon the optimum role of the Federal Government in this area during the 1960's to emphasize the immediacy and urgency of the problem.

Having focused attention on these areas and needs, an examination should be made of the following factors:

First. Problems associated with the particular application including physical, technical, social, political, and administrative aspects.

Second. Suggested solutions to the above problems.

Third. Required costs and other resources associated with the particular application.

Fourth. Extent of Federal Government participation including funding, agency involvement, and relations with local communities, industries and labor.

Fifth. Possible programs, methods and procedures for an effective organization to insure the transfer of technology to a particular need.

Sixth. An assessment of the particular application's effect and impact on the local and national economy, manpower, existing industries, education and training requirements, existing and needed legislation, and employment prospects in the late 1960's and early 1970's.

An additional assignment proposed for the Commission would be an analysis of possible utilization of manpower shifting from present employment opportunities over into work that may be stimulated by applying new technical advances to meeting today's social and public needs.

Already in recent years we have witnessed dramatic shifting requirements for our Nation's manpower. President Kennedy, in his message to the Congress last summer on the railroad dispute, suggested that a special Commission study be undertaken on the impact of automation in our manpower needs.

Here is an opportunity to study some aspects of this complex problem.

Every day the Congress and the executive branch are dealing with the type of work which would be analyzed by the Commission. It comes in the consideration of public underwriting of the private development of a supersonic air transport, the program of the Office of Saline Water Research, or the budget for the National Institutes of Health.

But these are just the fringes of possible areas of substantial impact on our Nation's community and social needs that could come if we better understand what modern technology holds for our Nation.

The National Government, through its annual \$15 billion investment in research and development, has stimulated the growth of a new breed of industrial organizations. The public has a very real investment in this industrial research phenomenon. It clearly can work on the problems of more swiftly and economically getting us to work, providing better educational communication, making more efficient a vast range of public services, if we are wise enough to find the right ways of putting the scientific and technological genius presently available to the task.

This is the objective sought in submitting this challenge to a Commission study. The task should be undertaken quickly, with a report scheduled to the President and the Congress early in 1965.

Let us use the imagination and skills that have taken us far into space to find also some answers to meeting the human needs of our Nation and the world.

I also ask unanimous consent that the text of the bill be printed at this point in my remarks.

THE PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2298) to establish a Commission on the Application of Technology to Community and Manpower Needs, and for other purposes, introduced by Mr. HART (for himself and Mr. HUMPHREY), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the policy of Congress to promote the application of recent technological advances to meeting large-scale human, community, industrial and manpower needs of this nation. Such an objective can be most effectively achieved by—

(a) determining the impact fuller utilization of new technologies will have on future manpower requirements of the labor force;

(b) defining those areas of unmet community and human needs where application of new technologies might most effectively be directed;

(c) examining technological developments that have occurred in recent years, particularly those resulting from the Federal Government research and development programs, with a view to discovering those areas potentially most promising for civilian and industrial exploitations;

(d) reporting on ways by which civilian research and development, together with

uses of existing technology, can more effectively be directed in areas where major social and economic benefits may be achieved;

(e) recommending proper relationship between governmental and private investment in the application of new technologies to large-scale human and community needs;

(f) analyzing the balance and impact among domestic industry to see how the benefits from expenditure of Federal funds may accrue to a wider segment of such industry;

(g) defining proper responsibility and organization of agencies in the executive branch to achieving these objectives; and

(h) recommending ways in which the legislative branch of the Government can be better staffed to fulfill the objectives of this policy.

ESTABLISHMENT OF THE COMMISSION ON THE APPLICATION OF NEW TECHNOLOGY TO COMMUNITY AND MANPOWER NEEDS

SEC. 2. (a) For the purpose of carrying out the policy set forth in the first section of this Act, there is hereby established a commission to be known as the Commission on the Application of New Technology to Community and Manpower Needs (referred to hereinafter as the "Commission").

(b) The Commission shall be composed of fourteen members as follows:

(1) Eight appointed by the President of the United States, four from the constituent Federal agencies belonging to the Federal Council for Science and Technology, and four from private life who have had distinguished careers in labor, industry, local government, or higher education;

(2) Two appointed by the President of the Senate from Members of the Senate;

(3) Two appointed by the Speaker of the House of Representatives from Members of the House of Representatives; and

(4) Two appointed by the President of the National Academy of Sciences.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 203, 204, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(f) Eight members of the Commission shall constitute a quorum.

ADVISORY PANEL TO THE COMMISSION ON THE APPLICATION OF NEW TECHNOLOGY TO COMMUNITY AND MANPOWER NEEDS

SEC. 3. The Commission may establish an Advisory Panel which shall consist of persons of exceptional competence and experience in the fields of science and technology, economics, political science, or operations analysis. Such Advisory Panel members shall be drawn equally from the Government, private industry, and nonprofit educational and technological institutions, and shall be persons available to act as consultants for the Commission.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 4. (a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) The members of the Commission appointed from private life shall each receive \$75 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 5. (a) The Commission may appoint and fix the compensation of such personnel as it deems advisable in accordance with the provisions of the civil service laws and the Classification Act of 1949.

(b) The Commission may procure, without regard to the civil service laws and the classification laws, temporary and intermittent services (including those of members of the Advisory Panel) to the same extent as authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55a), but at rates not to exceed \$75 per diem for individuals.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall make a comprehensive and impartial study and investigation of the programs and policies of governmental and private institutions to determine the most effective ways by which such institutions can promote the purposes and objectives set forth in the first section of this Act.

(b) During the course of its study and investigation the Commission may submit to the President and the Congress such reports as the Commission may consider advisable. The Commission shall submit to the President and the Congress a final report with respect to its findings and recommendations not later than January 1, 1965.

POWERS OF THE COMMISSION

SEC. 7. (a) (1) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued under the signature of the chairman or vice chairman, or any duly designated member, and may be served by any person designated by the chairman, the vice chairman, or such member.

(2) In case of contumacy or refusal to obey a subpoena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agen-

cies, is authorized and directed to furnish to the Commission, upon request made by the chairman or vice chairman, such information as the Commission deems necessary to carry out its functions under this Act.

EXPENSES OF THE COMMISSION

SEC. 8. There are hereby authorized to be appropriated to the Commission, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

Mr. HUMPHREY. Mr. President, I am happy to be a cosponsor of the bill introduced by my colleague from Michigan to establish a Commission on the Application of Technology to Community and Manpower Needs.

This bill is a broad bill, covering the most important facets of automation as it affects the U.S. economy. I would like to comment briefly on one aspect of the bill. Included in its scope is the vital question of the economic consequences of disarmament. Although rapid large-scale disarmament is not likely in the foreseeable future, it is nevertheless increasingly clear that it is a long-range problem of major significance. The constant change in types of military weapons has already caused grave economic dislocations in areas with large defense industries. Even a modest shift from military production to production of civilian goods in these areas would cause major problems—unless the proper preparation is made for conversion.

It was with this purpose in mind that the Disarmament Subcommittee of the Senate Foreign Relations Committee, of which I am the chairman, held hearings and published a report last year on "The Economic Impact of Disarmament."

I discussed this subject at some length in a speech in December 1962 before a symposium on arms control convened in Ann Arbor, Mich.

The test ban treaty has intensified interest in this subject and increased pressure to come up with the facts on this subject. The time is long overdue to focus attention on these problems, to do studies in depth and to make long-range plans to meet them. This is why I am happy to join with Senator HART in sponsoring this bill.

Mr. HUMPHREY subsequently said: Mr. President, earlier today the Senator from Michigan [Mr. HART] introduced the bill (S. 2298) to establish a Commission on the Application of Technology to Community and Manpower Needs, and for other purposes, which was cosponsored by me. I ask unanimous consent that the bill remain at the desk until the close of business Tuesday, November 12, for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EFFICIENCY OF CONGRESS IN 1964

Mr. PROXMIER. Mr. President, I submit a resolution, which I shall read:

Whereas 6 of 14 appropriations bills have not yet been enacted into law on this November 8, although the bills are to provide funds for the operation of Government agencies during the fiscal year 1964 which began last July 1;

Whereas this failure to pass appropriation measures prevents the Congress from determining the size, scope, and limit of the operations of most Government agencies during a major share of the fiscal year for which the appropriations are to be effective;

Whereas many of the major bills to be considered by the 88th Congress have not been considered by either the House or the Senate and some have not even been scheduled for hearings;

Whereas 1964 political conventions scheduled in July and August and the 1964 Presidential and congressional campaign will demand the time of the Congress during much of 1964;

Whereas it is of prime importance that Members of the Congress in the Democratic-Republican tradition take the time in 1964 to report to the people of this country on their stewardship of the Congress prior to the 1964 elections;

Whereas it will be necessary to pass at least 13 appropriations measures for the 1965 fiscal year before the Congress adjourns sine die in 1964 in addition to acting on most of the major and controversial measures introduced in 1963 and all of the other regular legislation that the Congress can expect must be passed during 1964: Be it therefore

Resolved, That the leadership of the Senate confer with the leadership of the House to work out as definite as possible a schedule, for committee hearings, committee markup sessions and floor action so that full consideration of all necessary legislation during 1964 by both the House and Senate, which schedule will provide ample time for Members of the Congress to engage in the 1964 presidential and congressional campaigns.

Mr. President, I ask unanimous consent that the resolution lie on the table.

The PRESIDING OFFICER. The resolution will be received and, without objection, the resolution will lie on the table.

The resolution (S. Res. 224) was ordered to lie on the table.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIER. Mr. President, I ask unanimous consent that I may have 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIER. Mr. President, one fact is clear. This Congress is not moving. It should get moving.

Our majority leader has done an excellent job of keeping the Senate calendar clear, certainly the best I have seen in my 6 years in the Senate.

But bills have been moving in House and Senate committees at snail's pace. Without investigation we cannot fix responsibility for this slow progress. We do not know who is to blame and I do not see any reason for trying to fix blame. That would get us nothing but resentment.

But we can, Mr. President, do better from here on in. We certainly will not do better, if we do not plan, if we do not determine how long each piece of major legislation should take us, if we do not make some kind of a schedule and stick to it. If we do not do this, Mr. President, nothing is more certain than that we will find ourselves next year with an incomplete and incompetent legislative performance, frozen here in Washington, and blocked from going to the people of our States to carry the 1964 campaign to them as we have a duty to do it.

For many of us 1963 has been troublesome and inconvenient. Unless we do far better, 1964 is going to be a nightmare for all of us.

To understand the kind of box we are in, Mr. President, consider the record on appropriation bills for this year, which should have been passed by the Senate, after House consideration, by July 1. The Senate Appropriations Committee could not possibly have acted on these bills. Look at the record: the agricultural appropriation bill did not pass the House until June 6; the Legislative bill June 11; the State, Justice and Commerce bill June 18; the Defense bill June 26; the District of Columbia bill July 11; and the Independent Offices bill October 10.

What is to prevent us from having the same kind of disastrous record next year, unless we plan and act now?

Obviously, Mr. President, the greatest, hardest driving legislative genius in the history of mankind could not have secured Senate passage on any of these bills by July 1, with proper consideration.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I do not blame the House. I am sure they did the best and most conscientious job they could, but the fact is that the Congress did not do its job this year on schedule, or nearly on schedule.

Every man and woman here knows that we will not do it next year unless we plan to do it, and stick to those plans. This is why I submit this resolution calling upon the leadership to sit down with the House leaders, work out a definite scheduled timetable, and then fight might and main to stick to that schedule.

The legislative process in this mammoth, growing, complex country of ours has become so immensely time consuming that unless we have definite, thorough plans, unless we schedule our time, and unless we stick ruthlessly to that schedule we are sure—even with the finest leadership in the world—to be swamped by the enormous weight of legislative detail.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I congratulate the able senior Senator from Wisconsin.

On the desk of every Senator is the Senate Calendar. Therefore, I have been somewhat surprised by attacks concentrating on the majority leader. This calendar is at least as clear today as it has been since I became a Member of the Senate.

Legislation cannot be brought to the floor until it has been acted upon by the committees.

The Senator from Wisconsin has made a thoughtful and constructive statement.

Mr. PROXMIRE. I thank the Senator from Missouri.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Wisconsin that the resolution may lie on the table? The Chair hears none, and it is so ordered.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT (AMENDMENT NO. 315)

Mr. MUNDT submitted an amendment, intended to be proposed by him, to the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 129, S. 484, AND S. 1675

Mr. SPARKMAN. Mr. President, I announce that the Subcommittee on Housing of the Banking and Currency Committee will hold hearings on Senate Joint Resolution 129, a joint resolution to amend section 702 of the Housing Act of 1954 to increase the amount available to the Housing and Home Finance Administrator for advances for planned public works; S. 484, a bill to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity; and S. 1675, a bill to authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable direct loans made to veterans under chapter 37, title 38, United States Code.

The hearings will be held on November 12, 1963, in room 5302, New Senate Office Building, and will begin at 10:30 a.m.

All persons wishing to testify should contact Mr. Dudley L. O'Neal, Jr., chief counsel of the subcommittee, room 5228, New Senate Office Building.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate numbered 1 to 13, inclusive, to the bill (H.R. 6868) making appropriations for the legislative branch for the fiscal year ending June 30, 1964, and for other purposes; agreed to the amendments numbered 15 to 29, inclusive, and amendment numbered 34 to the said bill; disagreed to the amendments of the Senate numbered 14, 30, 31, 32, and 33, and 35 to 40, inclusive, to said bill; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEED, Mr. KIRWAN, Mr. CANNON, Mr. HORAN, and Mr. LANGEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 8969) to provide, for the period ending June 30, 1964, temporary increases in the public debt limit set forth in section 21 of the Second Liberty Bond Act, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 8969) to provide, for the period ending June 30, 1964, temporary increases in the public debt limit set forth in section 21 of the Second Liberty Bond Act, was read twice by its title and referred to the Committee on Finance.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Editorial "Buyer Beware," in the August 6, 1963, issue of the Wheeling (W. Va.) Intelligencer.

By Mr. HUMPHREY:

Article entitled "Representative KARTH Urges United States Sell Boosters," published in Missiles and Rockets of August 26, 1963.

SENATE CONSIDERATION OF THE FOREIGN AID BILL

Mr. GRUENING. Mr. President, this morning's Washington Post has, as its leading editorial, one entitled "Foreign Aid Fracas," which in my view is completely misleading and shows a total lack of comprehension concerning what is happening in the Senate.

That being my view, this morning I sent to the editor of the Post a telegram in reply to the editorial, and in the telegram I presented my view.

The Post editorial reads as follows:

FOREIGN AID FRACAS

Imagine a patient strapped on an operating table while a half dozen surgeons, each brandishing a scalpel, argue whether or not to amputate the arm, the leg, or the head. This is about the way the Senate is working its will on that badly managed patient, the foreign aid bill. In a wild melee worthy of the Keystone Cops, the bill has been carved and recarved on the Senate floor in a string of amendments so confusing that Senators were voting on dollar figures tossed in the air, often with only the most vagrant notion of what was at stake. And the end is not yet.

The best that can be said about the tentative dollar authorization that emerged from the bloody arena is that it could have been far worse. Senators MANSFIELD and DIRKSEN not only kept the slashes to a bare-bones minimum in their amendment authorizing \$3.7 billion. They also kept certain vital organs intact—notably the Alliance for Progress authorization, which was kept to \$600 million as against the House-approved figure of \$450 million.

At the same time, the contingency funds were almost halved. President Kennedy asked for \$300 million and the Senate has shrunk this to \$175 million. Yet these are reserve funds that can enable the President to take swift advantage of unforeseen developments. Who can know what the future will bring? The Senate action is a gamble based on a wish and a guess, a gamble which amounts to less than a vote of confidence in the President. And the Mansfield-Dirksen figures may yet be changed again as the Senate votes on 50 or so pending amendments.

Certainly men of good will can differ on some of these specific aspects of the program. But it seems to us that the process by which legislative decision is reached is capricious and irresponsible. Senators frequently complain that the aid program is haphazardly

run. How would they characterize their own legislative behavior?

Like a salami in a slicing machine, thick wedges of the program have been arbitrarily shaved off. First of all the program was cut from \$4.9 to \$4.5 billion following General Clay's report. This figure was drastically reduced in the House and less severely by the Senate Foreign Relations Committee. Now the Senate has chopped its own committee recommendations in votes based less on information than emotion. Congress has called on the Executive to reform the administration of foreign aid. But who will reform the administration of Congress?

I now read a telegram which I sent to the editor of the Washington Post:

EDITOR,
The Washington Post,
Washington, D.C.:

Your leading editorial in Friday's Post, entitled: "Foreign Aid Fracas," is wholly unrealistic and grossly misleading. You compare what is happening in the Senate to the mangling of a helpless patient "In a mild melee worthy of the Keystone Cops" and much more along the same line. Nothing could be further from the reality.

What is happening is an overdue, serious and conscientious effort to reform, improve and strengthen the foreign aid program. Without such reform and strengthening, foreign aid is apt to be rejected by the Congress before long in response to rising public indignation at the program's increasingly manifest shortcomings. By eliminating waste—by ceasing aid to countries which (a) either are so prosperous that they do not any longer need aid but have been continuing to receive it, such as those of Western Europe and Japan; or (b) eliminating aid from thoroughly unworthy aggressors, such as Egypt and Indonesia; and (c) by withdrawing aid from countries of Latin America which do not conform to the agreements of the Punta del Este Conference and the wise prescriptions of President Kennedy calling for self-help, reform, diminution of inflation, and other necessary steps, until they put their houses in order—the program is being saved and will proceed infinitely better, and abler to achieve its desirable objectives.

THE COLD WAR IS NOT OVER

Mr. SYMINGTON. Mr. President, in the November issue of the Reader's Digest, there is a penetrating article by one of the Nation's truly outstanding scholars in the field of national defense entitled "The Cold War Isn't Over," by Senator HENRY M. JACKSON. This article is condensed from the New York Times magazine of August 4, 1963, and is as timely today as it was then.

In the belief that every Member of the Congress will be interested in these words of our colleague, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COLD WAR ISN'T OVER

(By HENRY M. JACKSON, U.S. Senator from Washington)

We confront complex issues today, and understandably many of us hope for simple answers. So it is not surprising that convenient but false assumptions work their way into some people's thinking. But if today's assumptions are false and our estimates are too misleading, America will take the wrong turns and end up in the wrong place. Hence it is useful to examine the

credibility of certain assumptions about international affairs held by considerable numbers of people.

1. There is the widespread assumption that the Chinese-Soviet quarrel reduces the Communist threat to the West.

A Vietnamese might be permitted some doubts. Or a Nehru. I believe that the truth may be exactly contrary to the reassuring words.

Khrushchev thinks our day has passed. Khrushchev and Mao are not quarreling about whether to bury us. They are quarreling about how. It may be that Mao plans a 12-foot grave and Khrushchev a 6-foot one. In any event, they both seem to have in mind a cemetery.

The Moscow-Peking dispute is being played for very high stakes. The leadership of world communism is involved. So is the fate of men who see themselves as the locomotives of history. Khrushchev and Mao each desperately desires to show that his policy for liquidating the West is best. Each needs victories. The consequences for us may well be a period of rising tensions and dangers, rather than the opposite.

These days, Khrushchev's tactics must be tailored to take into account his troubles with Mao. But this does not mean his objective of world supremacy has changed. Khrushchev is adept, resourceful and devious in his maneuvers. We have been exposed to his smiling face and his pounding shoe; we have seen him export doves of peace one month and nuclear missiles the next. The point is that whether Khrushchev is the jovial backslapper at a cocktail party or is launched on a harangue at the Berlin wall, he is the same dangerous man. He can turn it on and off again in short order. We can expect that Khrushchev will continue to twist and turn, thaw and freeze, agree and disagree—in pursuit of his ultimate aim, which he openly admits is to bury us. (There is both a lesson of history and a warning for the future in Russia's sudden signing of a non-aggression pact with Hitler.)

2. The assumption is widespread that we can win our way with the Russians by a policy of inoffensiveness.

This is a fallacy held by many good and decent people who let their hearts prevail over their heads. We have all heard arguments that amount to nothing more than "if we trust the Communists, they will trust us." We are told that the United States should take unilateral initiatives to reduce our strength, to set a "good example" and quiet Soviet suspicions.

It is not convincing to say that we won't know whether this policy will work until we try. Some experiments are best left undone.

Just consider India's experience. No state has tried harder than India to find security by a deliberate policy of inoffensiveness. India has had to learn the hard way, as have others, including ourselves, that expansionist states do not respect weakness. I am sure Nehru does not relish this on-the-job training program, but it may save others from a similar schooling.

All Americans want peace. The debate is over means. The debate needs to receive our most thoughtful, honest, tough-minded attention. But certainly the weight of responsible opinion lies with preparedness combined with restraint—what Teddy Roosevelt meant when he said we should speak softly and carry a big stick.

The only way to bargain successfully with expansionist states is to maintain the strength to make bargaining attractive to them.

3. There is the widespread assumption that the arms race is leading straight to catastrophe.

A familiar argument goes this way: Arms races have always led to war; the world is engaged in an arms race; therefore, we are heading for a nuclear holocaust.

This argument rings hollow. It was not an arms race that led to World War II. On the contrary, it was the failure of the Western democracies to prepare for war that led to its outbreak in 1939. It was Chamberlain's failure to recognize the danger of a demagogue like Hitler, bent on aggression, that led to Munich. This is the reason Winston Churchill has called World War II "the unnecessary war."

As I read history, international peace and security depend not on a balance of power but on a certain imbalance of power favorable to the defenders of peace—in which the strength of the peacekeeper is greater than that of the peace-upsetter.

An expansionist nation will never be satisfied with this state of affairs. And for this reason arms control is difficult to achieve. A would-be aggressor will not settle for an arms-control agreement that would freeze him in a position of inferior power. On the other hand, an aggressor's objectives are served by an agreement which would permit him to acquire superiority by stealth.

As for the second premise: What arms race are people talking about? The United States is not engaged in an arms race. We could, if we wanted to, build more weapons and build them faster. But our goal is not an unlimited buildup. Our goal—and we should be frank to acknowledge it—is to create and maintain, in cooperation with our allies, a relationship of forces favorable to peace. The real road to catastrophe would be to permit an unfavorable relationship of forces to arise.

I believe that this is an understandable position—and that our public statements about defense and about arms control or disarmament should be put in this perspective. Too often, however, high officials speak as though a nuclear test ban were mankind's last best hope, or as though the choice we face is between one more concession and catastrophe.

4. There is the widespread assumption that our superiority in conventional forces was the decisive factor in October 1962, in the near collision over Cuba.

This is, of course, wrong, as ought to be apparent.

The strengthening of our conventional forces, which I have strongly supported, is one of the major accomplishments of this administration. Our forces are better balanced than they were and better prepared to meet the contingencies they may face.

But the decisive factor in October was "will"—the evidence that the United States was prepared to take whatever risks were necessary to obtain satisfaction of its demands. It may be that we did not demand enough—but that is another question. We got most of what we asked for. And the reason was that Khrushchev became convinced that our will was firm.

His reply to Communist Chinese criticism was as free of mumbo-jumbo as a statement could be. He said, "The paper tiger has nuclear teeth." And, as Bernard Brodie of the Rand Corp. recently observed, when Khrushchev found that we were not as tolerant as he had supposed, he rushed to get the missiles out "apparently unimpeded with any worries about 'humiliation.'" He was clearly worried less about his face than about his future.

It is important to be very clear about all this, for if conventional superiority was the decisive factor in Cuba, then what now defends Berlin? The answer is that the security of Berlin also depends on our will. I, for one, would not wish to convince Khrushchev that it was our conventional superiority that was decisive in Cuba. Or so to convince our European allies.

The Communists, by virtue of their geographic position, can deploy their forces to achieve conventional superiority at most points along their long boundaries. What deters them is fear that they might start

something bigger than they are prepared to risk.

We need strong conventional forces; there is no argument about that. But it would be a tragic error to encourage the Communists to believe that they will meet only these forces so long as they restrict themselves to aggression with conventional means.

THE VARIOUS STOCKPILES AND HOW TO SAVE MORE OF THE TAXPAYERS' MONEY

Mr. SYMINGTON. Mr. President, last Wednesday the distinguished senior Senator from Delaware [Mr. WILLIAMS] inserted in the Appendix of the RECORD an editorial from the Washington Daily News, "Stockpile Ruckus." This editorial commented on certain findings made by the Joint Committee on Nonessential Expenditures with respect to the stockpile program of last June.

I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOCKPILE RUCKUS

After more than 20 months of noisy complaints, a Senate subcommittee has produced a bill theoretically designed to make some sense of the Government's enormous stockpile program.

This program was begun after World War II in an avowed effort to assure that in event of a new war the country would be supplied with critical materials—instead of having to scrounge desperately for its war needs after hostilities had begun.

The idea was sound, but like so many good ideas it ran into excesses. Senator STUART SYMINGTON, who headed the investigation sparked by President Kennedy, emphasizes charges of what the President called unconscionable profits. But the President also complained that the stockpile had an excess supply, worth \$3.4 billion, which he said astonished him.

The latest report of Congress Joint Committee on Nonessential Expenditures covers the stockpile program for last June. It shows that in this month the overall stocks were slightly reduced.

But in the same month, according to the joint committee, the Government bought more aluminum, bauxite, bismuth, chromite, industrial diamonds, fluor spar, graphite, lead, mica, tantalum, thorium, tungsten, and zinc—although all of these materials already were in excess.

If the stockpile excess were as astonishing as the President and Senator SYMINGTON have been saying, how is it this situation is being corrected by making it worse? What goes on here?

Mr. SYMINGTON. Here are the facts with respect to the materials mentioned in the editorial in question.

During that month, only aluminum was acquired for the Government by cash payment. This acquisition, totaling \$1,392,000, was made under a contract signed in 1955, which contract had no provision for cancellation. The Government lawyers now say it cannot be canceled.

Additional bauxite, chromite, graphite, mica, and thorium were acquired. But these acquisitions were through barter, in exchange for surplus agricultural commodities of an equivalent value. During June 1963, an increase in the quantities of strategic and critical mate-

rials of some \$8.3 million reduced the Government's agricultural surplus by an equivalent amount.

In addition, said barter transaction saved the taxpayers some \$538,000 annually, because, whereas the estimated annual storage of the bartered agricultural commodities was \$562,000, estimated storage for the strategic materials acquired is \$24,000.

The increases expressed—but unfortunately not explained—in the joint committee report for this month of June for bismuth, metallurgical grade chromite, diamond stones, fluor spar, lead, phlogopite, block mica, tungsten, and zinc were paper adjustments. They do not represent any new acquisitions. To say the least, this part of the report is confusing.

There are four major stockpiles for metals and minerals: The national stockpile, the Defense Production Act inventory, and the two barter stockpiles; namely, the supplemental stockpile and the Commodity Credit Corporation inventory, the latter ultimately ending up in the supplemental stockpile.

During the month of June, covered by this report, no acquisitions were made for the national stockpile; and disposals from that stockpile totaled \$21.5 million.

For the defense production inventory stockpile, \$1,392,000 of aluminum was acquired by the Government under the previously mentioned contract; but disposals from this latter inventory amounted to some \$2.3 million; so there was a net disposal from this stockpile of \$900,000.

Re the third and fourth stockpiles, the supplemental stockpile and the CCC inventory, as mentioned, because of materials taken in exchange for agricultural surpluses, these barter transactions resulted in heavy savings to the taxpayer in annual storage costs.

It is hoped that in the future, when these reports are issued, they give enough facts to be properly understood.

To those interested in saving the taxpayers' money by eliminating unnecessary expense incident to the various stockpile programs, I suggest that more attention be given to the relatively new and costly emphasis on the importance of upgrading, beneficiation.

In this connection, I ask unanimous consent that the colloquy I had with the Chairman of the Atomic Energy Commission, Dr. Glenn T. Seaborg, at a hearing before the Committee on Foreign Relations on August 14 of this year—pages 259–264—be printed at this point in the RECORD.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

POSSIBLE REDUCTION IN AEC BUDGET

Senator SYMINGTON. Mr. Seaborg, yesterday I referred to the talk the distinguished Senator from South Dakota gave the other day, in which he tied in the test ban treaty ratification situation with the possibility of relatively heavy reductions in the military and atomic energy budgets. He made a very cogent and thought-provoking speech.

The Senator suggested that \$4 billion be taken out of the military, and \$1 billion be taken out of the AEC budget.

I asked some questions on this of the Secretary of Defense. He referred them to you. I would read the colloquy, which is short.

Dr. SEABORG. All right.

Senator SYMINGTON (reading):

"Somebody in the General Accounting Office pointed out that most of the construction in the Atomic Energy Commission is over. Also that at one point a very large portion of the AEC budget had to do with construction. But now even though most of the construction is over, the budget seems to stay at the same size—the budget of the Atomic Energy Commission at the same size."

"For instance, in 1960 the AEC budget was \$2.8 billion; 1961, \$2.8 billion; 1962, \$2.6 billion; 1963, \$3.1 billion; 1964, \$2.9 billion."

"If the premise is true, that construction has been largely eliminated, doesn't that mean you are now increasing nuclear weapons production?"

That was my question to Secretary McNamara. He replied:

"I believe it does, Senator. I believe that Dr. Seaborg would be more authority—speak more authoritatively than I to the Atomic Energy Commission budget."

PERCENTAGE OF AEC BUDGET DEVOTED TO FULFILLING DEFENSE REQUIREMENTS

Do you build weapons and produce materials from the ore in accordance with tailored directives from the Defense Department as to what is required for strategic and tactical nuclear weapons or do you use your own reasoning. If you do the latter, how much is that reasoning affected by those interested in selling the Government the raw product?

Dr. SEABORG. Well, it is a little bit of both, Senator SYMINGTON. But basically we build to the requirements of the Defense Department. Our budgeting process carries the cost of the raw materials, the costs for the conversion of the raw materials to the special nuclear material, and the cost for the fabrication of the weapons from the special nuclear material, and the cost of the research of the weapons laboratories. Those are the four main items that make up this approximately one and a half to 1.8 billion that I have referred to earlier as going into weapons.

Now, I think I can best respond to your question by giving some approximate budget figures.

Our total budget, the total budget of the Atomic Energy Commission for the weapons-oriented costs, and all the other nonweapons things we do—reactor development, physical research, biology research, isotopes research, and training and education, and so forth—was \$2.3 billion in fiscal year 1958, and climbed to about \$2.9 billion in fiscal year, the present fiscal year, 1964.

Now, of the \$2.3 billion in fiscal year 1958, about 66 percent or about \$1.5 billion went into these weapons-oriented costs that I have identified in those four categories; and of the \$2.9 billion in fiscal 1964 that dropped to about 55 percent, so that the weapons-oriented costs are about, maybe, \$1.6 billion. So it is true there is a drop in the percentage there, but not a drop in the cost of the weapons-oriented activities.

Senator SYMINGTON. What you are saying is that it is a drop in percentage but not in dollars.

Dr. SEABORG. That is right.

Senator SYMINGTON. All right.

PERCENTAGE DEVOTED TO OTHER AEC ACTIVITIES

What did you do with the additional money?

Dr. SEABORG. With the other dollars?

Senator SYMINGTON. Yes.

Dr. SEABORG. They went into increased programs in the other fields.

Senator SYMINGTON. Like what?

Dr. SEABORG. For example, in the reactor development field the cost went up from—the program cost went up from—about \$400 million to about, in the present fiscal year, \$670 million.

In the physical research program field, the cost went up from something over \$100 million to something a little over \$300 million. A lot of this is reflected, by the way, in the high cost of high-energy nuclear physics, the cost of these expensive accelerators and the operation of these accelerators, but, of course, there is expansion in other important physical research work. And in the field of biology and medicine that I mentioned this morning, the cost went up from 1958, when it was about \$40 million, to about, as I have indicated this morning, \$75 million this year, and about \$85 million in fiscal—when I said this year I meant fiscal 1963—to about \$85 million in fiscal 1964.

The answer then to your question briefly is that our budget has gone up a little, that the increase in the budget has been due largely to these nonweapons programs.

Senator SYMINGTON. You call \$300 million a little?

Dr. SEABORG. It has gone up \$600 million. Senator SYMINGTON. \$600 million a little?

Dr. SEABORG. It is a little in comparison to some budgets in the Government.

Senator SYMINGTON. Actually, it is some 30 percent of your budget.

Dr. SEABORG. In 7 years it has gone up about 25 percent; yes, sir, which is like—

QUESTION OF SECRECY IN AND SUPERVISION OF AEC

Senator SYMINGTON. Do you think the secrecy that surrounds the Atomic Energy Commission is one of the reasons, comparable to other stockpile problems I have an interest in, when we suddenly end up with these gigantic stocks? If this all was in the open, and if you had to tailor the number of engines to the number of planes, and it was all a matter of public record, do you feel you would have the same stocks of uranium, or products from uranium, and number of bombs that you have today? We have a great deal of talk on the floor about overkill. The fact we can hit each target, say a thousand times; and a statement was made on the floor that even if that was a hundred times wrong we still have 10 times more than we need. I would like to ask as a Member of the Senate, not in the inner sanctum of the Joint Atomic Committee, like my distinguished colleague here from Rhode Island, if the time has come to begin to look at what is going on in nuclear weaponry? According to Senator McGOVERN, a high official in the Department of Defense says we have a good deal more than we need, in the form of weapons. Maybe we could make some savings for the taxpayer and put the money into where Chairman FULBRIGHT recommends, into education, instead of building a lot more weapons when we already have more than enough.

Senator PASTORE. Will the Senator yield on that point there?

Senator SYMINGTON. I will be glad to yield to my friend from Rhode Island. I know he knows the spirit in which I am asking these questions.

Senator PASTORE. Not only the spirit, but I know the Senator from Missouri is not only proficient in the area, not only because he was in the executive branch not too long ago, but surely he is a member of the Armed Services Committee and he is pretty much informed on these matters of defense.

I merely want to say for the record that up until this year the Joint Committee on Atomic Energy had supervision alone of the authorization on the construction side of Atomic Energy Commission budget. This year the law has been changed, and we will have complete authority over the entire authorization; not that that in itself makes any difference, except in that it will give responsibility to the Joint Committee on Atomic Energy to go into some of these prob-

lems which are of concern not only to my distinguished friend from Missouri, but to all of us as well, including, I would suppose, the chairman and the members of the committee.

One of the first things that I did upon becoming chairman of the Joint Committee on Atomic Energy was to raise this question with the White House. The administration is very much interested in the subject matter that has been raised by the Senator from Missouri. As a matter of fact, I was told only recently that this matter is being completely reviewed.

I am afraid that in the past, because the allocation of the money was to the AEC, and the requirements were submitted by the Defense Department, I am afraid that the need or the requirements were predicated more on the capacity of the AEC to produce than on the need for some of these weapons. Now, that may be true or may not be true, but that is one of the matters that is being investigated.

I merely interrupt at this point to make the record clear that this is a matter that is of deep concern to the Joint Committee on Atomic Energy. It is of very, very great concern, I know, to the Atomic Energy Commission. It is of great concern now to the Department of Defense, and it is of especial concern to the White House.

The matter is now being reviewed very thoroughly, and I would hope that the report would be an exhaustive one; that we here would not relax in providing all the bombs that are necessary to guarantee the security of this country, and maybe a little plus, but that I would hope that we would not go on unchecked in merely producing these weapons because they can be produced, without any regard at all to what the needs are and the requirements are because somewhere along the line I think the interest of the taxpayer must be taken into account.

Dr. SEABORG. Yes.

I wonder if I could respond partially to Senator SYMINGTON's question?

Senator SYMINGTON. I will be glad that you do. But, first, I express my appreciation to the Senator from Rhode Island for his kind and constructive comments. You always have the problem of excess production getting out of hand when you run into a classified Government secrecy setup. Also you have the problem, getting back into the defense field, of the threat of counterforce as against overkill, those who say "what is the use of retaliating by destroying an empty silo that has already fired its missile." When you have a reputable magazine run an article which states that the information comes from a Government agency that you have 10 times more nuclear weapons than the Soviets have, it occurs to me that here, in this field, the Government might save a great deal of money for the taxpayer. I am glad to hear some facts that I did not know about from the distinguished senior Senator from Rhode Island, with respect to the plans to look into this matter.

I thank the Senator. Now I would be glad to hear from the witness anything he has to say in the matter.

QUESTION OF SECRECY

Dr. SEABORG. Well, I would like to make three general points. One is that I believe that Senator SYMINGTON has a point in this matter of secrecy. I might say in that connection that the Joint Committee on Atomic Energy, of course, has been aware of just about what the situation is over the years, and I know from firsthand experience that they have been aware of it since I came to Washington as Chairman of the Atomic Energy Commission.

SUPPLY AND PRODUCTION QUESTIONS

I would say that there has been, secondly, a growing realization in the last year that,

perhaps, there is more than a sufficient supply of fissionable material here, and the administration has in progress a thorough study of the long-range needs for weapons, for fissionable materials. This is a study that is being carried out in cooperation with the Department of Defense and the Atomic Energy Commission, and I believe some recommendations will be forthcoming from that shortly.

I won't try to predict at this time what those recommendations might be.

Then I would like to say, third, that the Atomic Energy Commission itself has been very aware of this problem, and very soon after I came to Washington we began to take steps to reduce production—about 2 years or so notice is required—that we would want to reduce the power for the gaseous diffusion plants by about 1,000 megawatts, from about 5,800 megawatts to about 4,800 megawatts, the final reduction to be effective next summer.

Senator SYMINGTON. To whom did you give that notice?

Dr. SEABORG. To the power companies.

Senator SYMINGTON. Two or three power companies or one?

Dr. SEABORG. I think that this involved two power companies.

Senator SYMINGTON. What were their names?

Dr. SEABORG. TVA was one, and the other was a private company, I believe, OVEC, Ohio Valley Electric Co. I believe that is the situation.

QUESTION OF PRODUCTION CONTRACTS

Senator SYMINGTON. Are we still taking in heavy quantities of materials on contracts?

Dr. SEABORG. Yes, sir; for the uranium ore by commitment contracts that we are honoring.

Senator SYMINGTON. Materials heavily in surplus, because of previously made contracts.

With all due respect to what you did in 1961 when you came into this position, are we still going to take much material under contracts made before you came in, heavy deliveries?

Dr. SEABORG. Oh, yes, sir; we are honoring those contracts. But—

Senator SYMINGTON. How long do they go? How many years do we have to continue to buy what we do not need?

Dr. SEABORG. Contracts run through 1966. But we negotiated a stretchout of a number of these; we are negotiating and have succeeded in negotiating, we adopted it as a Commission policy. I should say, to attempt to negotiate—and we have negotiated a stretchout of a number of these contracts so that—

Senator SYMINGTON. If you do not need it, what is the advantage in stretching it out?

Dr. SEABORG. We will need it in the seventies, and this will save money not to have to pay for it that long before we will need it. We will need it for the peaceful uses, for the nuclear fuel for the civilian nuclear power reactors in the seventies. So that we save money if we buy it at the latest possible time.

However, in order to get the stretchout so that some of the material that we had committed to buy and have delivered before the end of 1966 could be delivered in 1967 or 1968, we are also committed as an incentive to buy some additional material in 1969 and 1970.

However, the net effect, after a careful study of the situation, led us to conclude this is very much to our advantage, this sort of a stretchout.

Senator SYMINGTON. Mr. Chairman, I have many other questions I would ask along these lines, but just want to conclude by

again saying how very glad I am the Senator from Rhode Island plans to look into the various ramifications of these purchasing programs.

LEAGUE OF NORTH DAKOTA MUNICIPALITIES RESOLUTION

Mr. BURDICK. Mr. President, people-to-people programs hold out the best hope for better relationships between nations and a more peaceful world. In July, the Fargo, N. Dak., Board of City Commissioners, adopted a resolution proposing friendly, reciprocal city-to-city and village-to-village visiting and hospitality among nations. I am pleased to hear from H. L. Holt, executive secretary of the North Dakota League of Municipalities, that that organization recently endorsed a similar resolution.

I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE LEAGUE OF NORTH DAKOTA MUNICIPALITIES

Resolved, That the North Dakota League of Municipalities in convention assembled, recognizing that facilitation of neighborly visiting and hospitality among peoples promotes peace among them, urges the Federal Government to take resolute steps to the end that the American "open cities" idea of nationwide, reciprocal, city-to-city and village-to-village hospitality and plain, friendly visiting at the grassroots shall prevail over the Communist principle of rigid restriction and control in the relations between the American people and the peoples of the Soviet Union and Eastern European countries; be it further

Resolved, That Congress be urged to provide that funds appropriated and designated by Congress for this purpose be expendable not abroad, but only in the United States or its possessions; and be it further

Resolved, That copies of this resolution be sent to the American Municipal Association, United States Conference of Mayors, the Governor of North Dakota, the State Legislature of North Dakota, the President of the United States, the Secretary of State of the United States, and the Members of Congress from the State of North Dakota.

FARGO, October 15, 1963.

BUDGET OF THE EAST-WEST CENTER

Mr. MANSFIELD. Mr. President, my strong statement to the Senate Appropriations Subcommittee yesterday requesting restoration of the full House cut to the budget of the East-West Center was prompted by my conviction that the Center was doing an outstanding job. Senator DANIEL K. INOUE, of the State of Hawaii, presented a tremendously effective case for the budget restoration by the Senate earlier in the fall. Since then, I have been in personal contact with Senator INOUE for first-hand information on the activities, programs and plans of the Center. As a result, I was convinced that it was to the best interest of the country and to the State of Hawaii to seek restoration of the full amount reduced by the House.

I have been informed that there are some who would detract from the effective work being done in behalf of the Center by Senator INOUE. I am surprised and dismayed by such unwarranted criticism. Senator INOUE has been continuously and untiringly working all out in the Center's interest, to my personal knowledge. He has personally seen the members of the committee holding the hearings, has written letters to us in its behalf, and in his quiet modest way has been building up the support needed to get the votes to restore the funds needed for this "showcase of the Pacific." My statement to the Senate Appropriations Subcommittee grew directly out of my many conferences with the able young Senator from Hawaii.

There is every evidence that imports of beef and meat products have reached a high that is depressing livestock prices in this Nation.

It is my opinion that the present rate of imports is definitely causing a price decline, which is resulting in a serious situation in the cattle industry.

Since 1960 we have seen a tremendous jump in the importation of beef from about 3 percent of domestic consumption to the current 11 percent.

The September 2, 1963, issue of Foreign Agriculture, USDA, shows a total of 651,164,000 pounds of red meat imported or 18 percent over the same period of 1962. Lamb is almost double the same period, an actual increase of 95 percent. There is no reason to anticipate that figures for the last 6 months of 1963 will show any different pattern.

Domestic production of beef and veal, in terms of consumption, came to about 90 pounds per capita in 1962. With imports of beef and veal at 8.9 percent of domestic production, it means that 8 pounds of product per person were offered in our domestic markets from foreign sources.

Imports of beef and veal from 3 countries (product weight basis)

[In millions of pounds]

	Australia	New Zealand	Ireland
Average, 1951-55.....	1.4	13.0	7.2
1958.....	16.9	182.0	23.7
1959.....	223.9	160.9	42.0
1960.....	144.7	130.7	43.6
1961.....	232.2	154.3	61.1
1962.....	444.7	213.6	70.7
1962 as a percent of 1951-55.....	31,764.0	1,643.0	982.0

Studying the above table and checking increased imports of both pork and lamb leads to but one conclusion and that is, these excessive imports can and will have a vital effect on livestock prices in this Nation.

EFFECT OF BEEF IMPORTS ON U.S. LIVESTOCK PRICES

Mr. CARLSON. Mr. President, the livestock industry is facing a critical situation, and in many instances it is disastrous to our livestockmen. Recent prices on livestock markets show a continuing downward trend that has resulted in a drop of 20 percent within the last year. During the week preceding November 3, all slaughter steers in Kansas City sold at an average of \$22.47 a hundred, which compares with \$27.48 a year ago and since that time cattle prices have dropped at least \$1 per hundred.

Following is a table that shows the prices on November 3, 1963, the preceding week and a year ago on the Kansas City market:

	Nov. 3, 1963	Week ago	Year ago
Fat steers (Kansas City).....	\$23.75	\$25.00	\$28.75
Fat hogs (Kansas City).....	15.35	15.75	17.25
Fat lambs (Kansas City).....	19.25	18.75	20.50
Corn, No. 2 Yellow (Kansas City).....	1.26 1/4	1.25 1/4	1.21 1/4

Willard W. Cochrane, of the Department of Agriculture, wrote a book in 1958 entitled "Farm Prices—Myth and Reality," in which he wrote that "the aggregate demand for food is severely inelastic"—page 37. On page 41 he says:

A 2-percent increase in the amount—food—offered will drive prices down by 25 percent. The farmer is truly at the crack end of the whip.

Increasing population plus increased consumption per person takes care of about half of the drop but that leaves a minimum decline in price of 10 percent for each 1-percent increase in the supply of beef, regardless of its source. This is accurate for 1962 and 1963. When imports increased supply 4 percent, increased population and consumption took care of 2 percent and the other 2 percent caused a price decline in fat cattle from \$30 to \$24, which is exactly 20 percent.

I have three suggestions:

First, the Department of Agriculture does not have the authority to control imports of beef and meat, but an immediate study on the part of the Department of the recent price decline would be most helpful.

Second, the U.S. Tariff Commission should conduct an economic investigation authorized under the Trade Expansion Act of 1962, with a view of immediately determining the effect of these imports on cattle prices.

Third, if the studies by the U.S. Tariff Commission prove—as I believe they will—that imports have reached a proportion where they are damaging our livestock industry, the President should then, by Executive order, establish quotas and make such other regulations as are necessary to limit ever increasing imports.

I ask unanimous consent to have printed in the RECORD information furnished by the Wisconsin Packing Co., of Milwaukee, Wis., concerning the rapid increase of imports of beef.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

FOREIGN MEAT: THREAT TO THE U.S. CATTLE AND MEAT INDUSTRY—IMPORTS OF PROCESSING BEEF MULTIPLY BY 4 IN LAST 5 YEARS

The enormous and continuing growth in imports of processing beef—already at flood stage—is shown strikingly by the enclosed figures from U.S. Department of Agriculture sources.

These imports already have caused serious damage to American cattle producers and others in the meat industry; and the economic threat is becoming steadily more critical as the foreign meat volume keeps on climbing.

A few official figures put the situation in focus:

In 1957 total imports of processing beef were just under 237 million pounds.

In 1962, the total was more than 942 million pounds—very close to four times as much.

Thus, our imports in 1962 were nearly 706 million pounds higher than 5 years before. And, for the current year, the import rate is even higher: nearly 482 million pounds for the first 6 months, alone.

The effect upon U.S. ranchers, farmers, and others in our meat industry becomes still more sharply evident from the rise in imports as a percentage of domestic production:

In 1957, processing beef imports amounted to 10½ percent of the boned weight of processing beef produced in the United States under Federal Government inspection.

In 1962, the imports had soared to 60.6 percent.

And, for the first 6 months of 1963: 68 percent.

The damaging effect of these huge and increasing imports falls heavily upon the cattle States, for this reason:

With foreign beef consistently underselling domestic by 5 cents a pound, the packer who uses domestic beef has no choice but to put pressure on the price he pays to the producer.

Packers who bone beef for processing—usually small, independent companies—work on a profit of about one-fourth cent per pound. Obviously, they can't meet the 5-cent differential by cutting profit. The only means is to pay less to the farmer.

The consequence is reduction in the farmer's and rancher's income and the value of his livestock, which is collateral for his loans. Continuation of the depressing effect of cheap foreign meat will force further liquidation of herds and bankrupt many producers, just as it has already bankrupted many small packers.

THE NEEDS

The need is not for total exclusion of foreign meats. They are necessary to meet the demand for processed products.

What we need is a combination of quotas and tariffs that will limit imports to the amount needed to satisfy domestic needs, while assuring a market for domestic products; and will discourage the favoring of foreign meats over domestic.

Mr. CARLSON. Mr. President, there appeared in the Kansas City Star, issue of November 3, an article written by Roderick Turnbull, the Star's farm editor, entitled "Cattlemen Are in a Squeeze," and I quote the following from the article:

Following are some figures which are factual about one group of cattle handled in Kansas this last year. Some of these cattle are to be hauled to the Kansas City market this week.

There were more than 500 head of yearling steers in this lot. They were purchased in

Texas last September at 26 cents and actually cost just 27 cents a pound delivered in central Kansas. They weighed an average of 605 pounds and their total cost was \$163.35 a head.

The owner has had the cattle just a year, so figuring interest on the investment (purchase price of the cattle) at 5 percent you get an interest cost of about \$8 a head.

The owner did his best to cheapen his costs so he wintered cattle and then pastured them before putting them on full feed. During the winter phase, from around October 1 until the middle of April, the steers got per head each day 4 pounds of milo, 1 pound of cottonseed meal, some ensilage and a little alfalfa hay. The wintering cost per head was \$34.

THROUGH VARIOUS STEPS

After wintering, the steers were put on pasture for the summer at a cost of \$20 a head. They went to a commercial feedlot August 1 and now have been fed 120 days. When they went into the feedlot they were pretty fleshy and weighing 950 pounds. Feedlot costs are 68 cents a head each day. In 120 days that adds \$81.60 a head to the total cost. Gains of about 2½ pounds a day apparently are being made. This means the cattle should weigh around 1,250 pounds when they go to market this week. Marketing costs will add another \$7 a head, counting hauling charges.

Adding the original cost, interest, wintering charges, pasture rent, the full feeding and marketing costs you get a total of \$313.95 per head, which the owner told me was just about as accurate a figure as he could get until the cattle actually are weighed and sold.

The owner hopes he will get 23 cents a pound. If he does and the cattle average 1,250 pounds, his gross per head will be \$287.50. With costs at \$313.95, he has lost more than \$25 a head.

There's a possibility, he said, that he might be able to sell the cattle at the feed yards in Kansas at 23 cents.

If he does, he'll save the \$7 in marketing costs and cut his losses to around \$18 a head.

On 500 head, a \$25 a head loss means \$12,500.

I ask unanimous consent to also include as a part of these remarks a table showing the average price for cows and steers in the United States from 1953 to 1963.

This table shows that for the past 5 years there has been a continuous decline in the price of cows and steers at the Chicago market, except for one brief period in 1962 on choice steers. This is a trend that should not be allowed to continue.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—Average prices for cows and steers in the United States, 1953-63
(Per 100 pounds)

Year	Cows, canner and cutter, f.o.b. Chicago	Steers choice, f.o.b. Chicago
1953.....	\$10.86	\$24.46
1954.....	9.67	24.94
1955.....	9.86	24.05
1956.....	10.02	22.75
1957.....	11.96	24.12
1958.....	16.47	27.91
1959.....	16.30	28.53
1960.....	14.39	26.71
1961.....	14.25	25.06
1962.....	14.06	27.55
1963 (January-June).....	13.56	24.38

¹ Preliminary.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield to the Senator from Wyoming.

Mr. SIMPSON. I invite the attention of the Senator from Kansas to the fact that I am a cosponsor of the measure which would set a quota upon imports of meat products and beef into the United States, which measure also would provide for a tariff above the amount now provided.

I am sure the Senator from Kansas is aware that all livestock associations in the country, including the Wyoming National Cattlemen's Association, are urging that the measure be reported from the committee and brought to the Senate for consideration. I seek the Senator's support for the measure.

Mr. CARLSON. I appreciate very much the comments by the Senator from Wyoming.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. SYMINGTON. I also congratulate the Senator from Kansas for the statement he has just made with respect to cattle prices. Some of the information he has presented was given me by the president of the Kansas City Stockyards, Mr. Jay Dillingham, a friend of the senior Senator from Kansas, and a friend of mine.

When one reads these figures, it is clear that the increased imports of beef—not only from countries which have been shipping to the United States in the past, but also from countries new in the field—is seriously affecting the cattle market of the United States.

I hope all Senators will read the figures presented by the able Senator from Kansas. Something of a corrective nature should be done.

Mr. CARLSON. Mr. President, I know of no one who is more familiar with this situation than is the Senator from Missouri [Mr. SYMINGTON], who is not only close to the Kansas City market but is also close to a large number of cattle feeders and livestock men.

In a portion of my statement today there was a statement by Roderick Turnbull, of the Kansas City Star, which shows definitely that one operator was losing \$25 a head on his feedlot cattle. That is true generally throughout the area. It is a serious situation, and one which should have our attention.

Mr. SYMINGTON. The Senator is kind about my knowledge, which is not comparable to his own.

The Senator has also mentioned one of the true experts, Rod Turnbull.

This problem surely should be given attention by all interested in the agriculture economy of the United States, its strength and progress.

I thank the Senator.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield, if I have sufficient time.

Mr. DOMINICK. I will not take long. I thank the Senator for yielding.

I was happy to cosponsor the bill introduced by the Senator from Wyoming on this subject. I am glad that this sub-

ject has been discussed on the floor of the Senate.

It seems to me the problem is a basic one in connection with permitting other countries to use our markets as a prime source of support for their economies. The more that is permitted, the more it will hurt our own economy.

I am not against the trade situation in general, but certainly it is time to place restrictions on these imports, so that our own industries based on agricultural production will not find themselves out on a limb with no markets.

I am delighted that the distinguished Senator from Kansas, who is so knowledgeable in this field, has brought this subject before the Senate. I firmly believe we must take some action, or we shall face serious problems in the one area of agricultural production which so far has been highly successful, because it does not operate under Government controls.

Mr. CARLSON. I appreciate the comments made by the Senator from Colorado. When we import as much as 11 percent of the consumable beef products of this Nation, it is time to look at the problem.

Mr. DOMINICK. I thoroughly agree.

THE FOREIGN AID PROGRAM IN TIME OF TROUBLES

Mr. CHURCH. Mr. President, the foreign aid program is undergoing its most severe congressional "time of troubles." Eric Sevareid, the distinguished television commentator and columnist, has written an interesting article on the reasons for congressional resistance to foreign aid which is now occurring. This piece originally appeared in the September 3 issue of the New York Post and was reprinted in the October issue of Current magazine, a carefully edited collection of provocative essays chosen from a variety of sources. Although I believe that Mr. Sevareid overlooks the bipartisan nature of the opposition, his analysis is accurate and perceptive overall. And it is highly relevant to our present discussion of foreign aid. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN AID REAPPRAISAL

(By Eric Sevareid)

For the first time, congressional Republicans in an organized, partisan attack have broken with the President on the size of the foreign aid authorization. But there is little reason to think that this is the beginning of the end of political unity on basic foreign policy. It is not even the end of unity on the foreign aid program, which is still accepted in principle on both sides of the aisle.

Nevertheless, the phenomenon contains various implications of consequence, one of which is that there no longer exists in this country a popular consensus about foreign aid. In regard to this matter, as in regard to various domestic reform movements, President Kennedy happened to take office on an ebbing tide. It seems clear that the mood for consolidation and tidying up, symbolized by the relatively placid Eisenhower years, has not yet run its cycle. In any case, there is always a rough order of priorities for

the national attention span, and it is not possible for an old, familiar endeavor like foreign aid, no matter how grand in the historical sense, to retain its hold on popular imagination or congressional devotion in the era of a space race and a mass Negro revolt.

In the history of foreign aid, we have reached a middle stage of stocktaking and searching for a second wind. The basic premises are being reexamined. The total result of foreign aid has been just confused and contradictory enough so that any number of Congressmen feel quite uncertain whether an appropriation cut of even a billion dollars (or, for that matter, an addition of such an amount) would leave the world, the cold war and America's position in any measurably different condition 10 years from now.

It has become very difficult to sell the program any longer as the keystone of American foreign policy, just as it is hard to describe the United Nations convincingly that way—and the same statesmen have used the same label for both institutions. It has become just plausible to describe protection of the American dollar, now threatened by the foreign drain on gold reserves, as the keystone of our policy. All these endeavors sit together; foreign aid has simply been moved a notch above the salt from its position at the policy table.

But the phenomenon in Congress represents—or so this writer thinks—a deeper, if less specifically measurable, shift of feeling by informed and responsible men. It represents the beginning of America's coming to terms with the reality of the world's size and complexity and with the true pace of history. We are adjusting in our sense of time.

We know now that the proposition is not really one of foreign aid at a number of dollars per year or a world collapsing into communism; we know that Soviet economic aid is not everywhere dangerous and undesirable; we know that in some countries—Venezuela, for example—the heaviest American dollar infusions will not guarantee an end to the Communist threat.

We know that the ability of one nation to alter deeply rooted social and class structures in an alien nation is extremely limited. We are beginning to know that the accumulation of capital and skills that required generations in America or Europe cannot be done in semiprimitive societies in a decade, modern science or no modern science. We are a relatively young people and we are only now coming to terms with the true pace of the long pilgrimage of the human race and the immense variety of the human condition. Europeans inherited this knowledge from their total race experience; we have had to learn it for ourselves, the hard way. That is the significant result of these "crash" programs—the result in our own thinking.

And a byproduct of all this, thank heaven, is the realization, at long last, that American inefficiency and bumbling ignorance are not the real reasons why progress in alien lands comes slowly. It is a realization that is going to put a lot of fervent after-dinner speakers and writers of quickie books out of business.

"WAKE UP, AMERICA"—ADDRESS BY FLOYD E. DOMINY BEFORE NATIONAL RECLAMATION ASSOCIATION, SUN VALLEY, IDAHO

Mr. CHURCH. Mr. President, I am sure it is well known to all of us how federally financed reclamation projects, based on the multiple-use principle, have opened the West to rapid development in the past 30 years and have provided the Nation with food and power in abundance. Yet this progress stands in danger of stagnation today. Further development of the Missouri River Basin, solu-

tion of the critical water shortage in the Pacific Southwest, and a host of smaller projects—such as Burns Creek in southeastern Idaho—are of great importance. When development projects take 5 to 10 years to execute, we cannot afford to wait until a crisis arises before we act on them.

It is for this reason that I seek to draw attention to an address by Floyd E. Dominy, Commissioner of Reclamation, before the National Reclamation Association at Sun Valley, Idaho, October 25. Mr. Dominy has focused on the projects which stand waiting, the need for reclamation and power development to go hand in hand, the sustained effort needed to meet future needs.

Mr. President, I ask unanimous consent that the speech "Wake Up, America" by Floyd E. Dominy may be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WAKE UP, AMERICA

In recent months I have participated in two exchange visits to the Soviet Union. A year ago I was a member of a team headed by Secretary of the Interior Udall which made a hurried but quite extensive inspection of Russian hydropower development. Only a month ago, I headed a team of irrigation experts to the Union of Soviet Socialist Republics. Your own president, LaSalle Coles, was a member of this team.

In aggregate, I have spent approximately 6 weeks in the U.S.S.R. during which I have traveled more than 14,000 miles within its borders. I went as far west as Irkutsk and Bratsk, where the Soviets are working furiously on major hydroelectric installations.

I have stood in the shadow of the Himalayas in the southernmost part of the Soviet Union where there are hundreds of thousands of arid acres very similar to our own Southwest. The big difference is that these lands have available an abundance of water from the high Himalayas. The Soviet engineers are now putting the water to work to develop a large potential that has lain there for centuries virtually untapped.

The Republic of Kazakh in central Asia has the largest irrigation development of any republic in the U.S.S.R. There are some 7,865,000 acres of irrigated land in this area, most of it developed in recent years.

We were told, with obvious pride and strong conviction in one briefing session with Soviet power experts, that by 1980 the installed power capacity in the U.S.S.R., and the transmission facilities to tie them together for maximum efficiency, would exceed that of the United States. This has long been one of the major objectives of the Soviet Government.

In a briefing session on the Soviet plans for irrigation development, we were told that they have programed and expect to achieve the addition of 2½ million acres of new irrigated land each year for the next 20 years.

Then we were shown the great Fergana Valley where they have developed over 3 million acres of irrigated land for food and fiber production.

Their determination to catch up with us in all areas of resource development is clear. Their prospects for success in doing so is another matter. And the answer to that is not unilaterally in their hands—we in the United States don't intend to stand at ease, placid and complacent with our present achievement.

At the present moment in time, their success is not to be measured in millions of acres of new land they are irrigating, but rather, in millions of tons of wheat they are having to buy abroad.

In terms of acres and acre-feet of water they are bringing to their land, the Soviets' growth is stupendous. But in many ways they're like an adolescent who suddenly shoots up from 5-foot-3 to 6-foot-2 in the space of a year or so. Put that youngster in a suit with padded shoulders and he looks like a man—at first glance. But his size doesn't make him an all-American football player. He lacks the muscle, the coordination, the skills, the knowledge. He may make the first team some day, if he's ambitious and works hard, but he's far from it as yet.

That's pretty much how it is with the Soviets. They have the ambition and they're working hard, and I suspect they will make the first team one day, when they have taught themselves all the hard lessons we have had to learn. Their projects may be huge, imaginative, and well conceived, but many of them are not well executed by our standards. They haven't a fraction of the experienced engineers they need, nor trained agronomists, nor farm workers skilled in modern agricultural techniques. And most important of all, they have thought they could barge ahead with agricultural development while scorning the exacting economic standards our American projects must meet and ignoring the incentive of personal advancement that is inbred in every human being in the world, no matter where he lives. The Soviets thought they could substitute hollow doctrine for those vital ingredients—but now they're finding out it doesn't work.

I was fascinated at the 180-degree turn taken by Premier Khrushchev recently when he upbraided his lieutenants because many of the great Soviet undertakings were not showing a profit. He told them they should take a cue from the capitalist countries and start measuring projects in terms of whether or not they were financially sound and would pay off on their investment.

What an admission that is. Perhaps we are beginning to win the cold war, and the Soviets are starting to move closer to our philosophy of life.

Imitation, they say, is the sincerest form of flattery. When the Soviets start realizing there is no ideological substitute for the individual's basic urge to use his abilities to improve his station in life, they will have come a long way toward rejoining the human race.

And if the success of our agricultural methods—the superiority of our reclamation projects—helps to drive the lesson home to them, then we can all be proud of ourselves.

I do not say they have learned the lesson yet, but perhaps they are beginning to. I think their failure to reach their goal in wheat this year may help open their eyes. One year of partial drought can bring disaster to their grain production; whereas we could suffer a far more severe and prolonged drought and still sell them all the grain they might need. They know this, and they know the methods and the systems and ideals through which we have achieved our plentiful production—and the lesson cannot be totally lost on them.

Have any of you been asking yourselves whether we should, or should not, be selling wheat to the Russians? There is no such question in my mind. We have relieved our elevators of a chunk of surplus grain, at world market prices, and have helped stem the outflow of our gold reserves.

Have we also helped the Soviets fight a cold war against us, as some have charged? We have not. Can any of you name me one occasion, in all the history of mankind, when peace was promoted by forcing another country to tighten its belt from lack of food? History teaches us the opposite: deprivation and enforced hunger breed resentment and conflict. Peace comes from contentment and ample food on the table.

I am convinced we have done no more than make a wise choice between feeding the stomachs of the Soviet people or feeding their resentment; and into the bargain we have done ourselves a favor economically.

If I am beginning to sound like a complacent citizen, purring happily over the state of irrigated agriculture and the progress of reclamation developments in the United States today, let me hurry to correct that notion. We seem to have reached a point of threatened stagnation in our reclamation program, and I am very concerned about it.

Our present enviable level of production was only achieved by sustained effort, by developing a continuous series of sound reclamation projects as quickly as they could be carefully planned, authorized and financed, and constructed. We cannot stay ahead of the game, or meet our future needs, unless we maintain a steady pace in our water resource development programs. In fact, I do not believe our rate of development in the past is going to be nearly good enough to meet the tremendous needs facing us in the future. I think we are going to have to redouble our efforts.

Yet, here we are at the end of October 1963 with no new starts in sight for this first half of the current fiscal year, and no new projects being authorized by the Congress. We seem to be on dead center, caught in the middle of controversy, disagreement, and unresolved issues. I am deeply concerned about this stagnation in our reclamation program, and you should be too. Perhaps one of our troubles is that people like you, who are great believers in reclamation and water resource development, are not making your views sufficiently known to the Congress and to various dissident groups who need to resolve their differences and help us get our vital programs into production.

But before I get back to our urgent development needs in this country, I want to talk a little more about war and peace.

I fully believe that we in the United States, with all the knowledge and skills we have built in engineering, in agriculture, and in the development of our water and land resources, are holding in our hand the key to ultimate world peace. I believe that if we and the other technically advanced countries of the free world will join in extending our knowledge to the underdeveloped countries covering most of this globe, we may be able to accomplish the first truly effective campaign for world peace in history.

A lasting peace can be secured, I am convinced, only on the basis of worldwide prosperity. Hunger and peace cannot exist side by side. An effective peace campaign involves helping the have-not countries build up their economy, and particularly their agriculture. To erect barriers against armies, or engage in ideological arguments with governments, as most peace efforts appear to do, is not enough. One of the most significant cornerstones of this campaign will be the development of natural resources—land and water conservation projects—wherever they are needed around the world.

This was the theme that ran through all the discussions at the World Food Congress held in Washington, D.C., last June. It was echoed again and again by the statesmen, humanitarians, and technical experts from all over the world who attended the conference.

Let me tell you a few of the sobering statistics I learned from the discussions of that Congress:

Agricultural experts have estimated that with proper development of soil and water resources, the world could feed—and feed well—at least 35 billion people. Today the world's population is only 3 billion; and two-thirds of those are scraping along at bare subsistence levels, or worse, with the threat of starvation staring many of them in the face whenever their meager crops fail.

In the past 60 years, the world population doubled. But the pace is stepping up now. It will double again in only 35 years. And the growth rate will be much greater than the average—1½ times greater—in the least developed countries, where even the present populations are engaged in a grim, ceaseless struggle to stay on the ragged edge of subsistence.

How are all the additional mouths to be fed? The food supplies of these have-not countries will have to be quadrupled—they'll need to produce four times as much food—by the end of this century. And that isn't very far in the future. There's only one way this goal can be reached and widespread famine avoided: by major agricultural revolutions in those less developed countries; revolutions such as have already taken place in the United States and in a few other advanced nations of the world.

These people can't conduct their own agricultural revolutions. They lack education, technical skills, machines, and the knowledge of how to use them. In the United States, a single farmer today can produce plenty of food for himself and for 23 other non-food-producing citizens. But in some parts of the world, it takes as many as 10 men, women, and children to produce enough food to keep themselves and only 1 other adult alive.

These people are willing to work—they're working hard now, just to barely eke through—but they need to be taught how to work in productive ways. They need to be taught how to utilize the water and land resources that are there in plenty in most of the least developed, needy countries. It has been conservatively estimated that in these impoverished countries there is a need for not less than 1,000 major investigations of potential large-scale agricultural developments, and for the harnessing of great rivers for irrigation, power production, and multiple-purpose benefits.

As to why we, who possess the skills and the knowledge, must shoulder the burden of carrying the banner of reclamation around the world—and must do it now—this was best expressed by Paul G. Hoffman, Managing Director of the United Nations Special Fund, when he said to the World Food Congress:

"More than one-half of the world's people living in 100 low-income countries and territories are in active revolt against continued acceptance of hunger, poverty, illiteracy, and ill-health."

Mr. Hoffman went on to describe the seething unrest of these peoples, the intensity of their determination to better their conditions and their understandable impatience.

"That impatience," Mr. Hoffman said, "can lead to more Congos, more Cubas, and perhaps to general chaos as well. We have no time to lose. Development is historically a long, as well as an arduous task. But the pressure of demand today is so great that time is lacking for the slow development which was characteristic of most of the industrially advanced nations. The processes that took centuries for us must be compressed into decades for the underdeveloped world. The facts of modern communication make the times, and time itself, more pitiless today than ever before."

Now I'm not trying to persuade you people of the National Reclamation Association that we should instantly take up solving the world's problems, urgent as they are, and forget about solving our own. But I am saying we're faced with having to do both. We must have the will to pitch in and help build a stable and prosperous world, because that sort of world will not go to war and destroy itself. At the same time, we can only give meaningful help to others by maintaining the strongest possible economy here at home.

Our role—yours and mine—in strengthening our domestic economy lies in the de-

velopment of our water and land resources through the reclamation program. We now have 15 proposed reclamation projects—all sound and all badly needed—lying on the shelf waiting for Congress to act. We have eight other projects in the process of completion. In total, these 23 projects will cost in excess of \$3.5 billion. These projects will provide over 21 million acre-feet of additional storage capacity, water that can be used to irrigate 600,000 acres of new land and to supplement the supply for 1,800,000 additional acres now partially irrigated. These projects will permit installation of 2,900,000 kilowatts of hydropower generating capacity, and will provide about 1,680,000 acre-feet of water a year—1.5 billion gallons a day—for municipal and industrial needs. Other associated benefits will be of almost inestimable value.

The proposed authorizations are the heart of a needed continuing reclamation program. No other administration has ever had such a comprehensive program for western resource development before the Congress.

But for one reason or another, there seems to be a roadblock preventing action on any of those projects.

Take the Missouri River Basin, for example. John Wesley Powell, some 75 years ago, told the North Dakota constitutional convention at Bismarck that, and I quote: "There are waters rolling by you which are quite ample to redeem your land, and you must save these waters."

Well, the Federal Government has invested hundreds of millions of dollars in saving those waters in such a way that downstream cities and farmlands are virtually insured against any more of the devastating floods the Missouri used to send downstream. There appeared to be no problem in the authorization of that flood control work, none of which is on a reimbursable basis. Non-reimbursable navigation has benefited and there are also tremendous recreation and fish and wildlife returns. A major reimbursable benefit already realized is hydropower production.

But North Dakota, also as a part of the long-term commitment, has a plan for using that water as some partial recompense for usurping rich valley lands which have been inundated by flood control reservoirs for downstream benefit. I have no hesitation in saying that the Garrison diversion unit of the Missouri River Basin project will be the greatest long-term economic boost North Dakota can expect for many decades, just as other Missouri River Basin States may expect similar economic improvement from work proposed in their States.

But unlike water brought under control to prevent damage, water put to a useful purpose must pay its own way. The payout formula first adopted some 18 years ago for the Missouri River Basin project is clearly outdated in these days of higher costs and more complex multipurpose projects. And so reclamation in the Missouri River Basin is bogged down while we thresh out a repayment formula within the tight strictures or repayment policy and the necessity of keeping hydropower rates as low as possible.

Secretary Holum, and we in the Bureau of Reclamation, have worked long and hard on a solution. We now appear to be reaching an acceptable payout formula, but the delay is typical of the roadblocks we are finding in the way of getting on with the job. Until we jump this roadblock, Garrison, Mid-State, Oahe, North Loup, and other feasible Missouri River Basin projects wait forlornly at the unopened gate to economic growth and development.

I mentioned another type of problem in my remarks to your convention last year when I urged that the NRA look into and seek to set up an affirmative policy on Federal hydropower as an integral part of multipurpose river development. I was heartened

as I traveled toward your convention by press statements to the effect that your special committee studying relationship of hydropower site licensing to the attainment of the objectives of the association. I have found no enthusiasm in the National Reclamation Association for facing up to the major problem. And I fail to find any resolution on this most vital element of reclamation development.

One way to increase the efficiency and consequent financial returns from our hydroplants is interconnection and integrated operations. This is important not only among our own plants and systems, but with private and public utility systems regionally and nationally. While we debate and argue and bicker, the economic benefits from integrated operation are not being realized.

Power revenues are the lifeblood of reclamation reimbursability, yet there is literally weeping, wailing, and gnashing of teeth every time we propose a new interconnection or a new integrated operating agreement, or even a new stretch of Government transmission lines. We have worked out operating agreements with cooperatives which are building two major thermal generating plants to meet their own loads. These plants and Federal hydroplants complement each other and make greater efficiency. Our Missouri River and Colorado River Basin power operations and revenues will be enhanced as a result of these agreements.

Burns Creek is still with us, as are the Middle Snake River development and the Knowles Dam project on the Flathead River in central Montana. All, although feasible and highly justified, are controversial and consequently inactive. I can recall only one favorable action in the past year in this area.

On Secretary Udall's representation that the Marble Canyon damsite is essential to full development and maximum use of the resources of the Colorado River for the Pacific Southwest water plan, the Federal Power Commission has tabled consideration of the license application to give Congress an opportunity to act.

The Federal Power Commission is aware of the need for additional kilowatt capacity to meet national power needs and cannot be expected to postpone its decision too long. But if the opponents of Federal hydropower development can keep talking long enough, they can kill multipurpose use of this site as surely as if they mustered a negative vote on it in the Congress.

Another monumental contest is shaping up over the destinies of the Lower Colorado. More than 10 years ago, the Congress tabled a reclamation project vital to the needs of Arizona while action was taken to the Supreme Court to determine the rights of the respective lower Basin States to their share of Colorado River water.

The Supreme Court found for the State of Arizona in its opinion last spring. Since then, Secretary Udall has moved forthrightly in developing the Pacific Southwest water plan. Reclamation's Assistant Commissioner Bill Palmer headed a departmentwide task force which prepared the mechanics of this plan.

It contains no elements or policies which have not already been applied and proven successful elsewhere. It is essentially an all-out effort to meet the water needs of the entire Pacific Southwest. California has been proceeding with its own State water plan, which is designed in large part to meet the water needs of the megalopolis of southern California. Otherwise, the lower basin has been largely marking time in its water program, while awaiting the Supreme Court's opinion. Now it is apparent that the California State water plan, in its present form, will not meet fully the needs of southern California. That area,

therefore, is on the same critical basis as Arizona and Nevada.

But what have we heard since the Supreme Court's opinion and the announcement of the Pacific Southwest water plan? Very few words of approval or even of constructive criticism. Many have been quick to protest and criticize. No one has come up with an affirmative substitute, although the problem is obvious. While the Senate Interior and Insular Affairs Committee has proceeded with hearings on the central Arizona project, which is a key feature in the first phase of the total plan, it is clear that in other quarters the strategy is talk, talk, talk, and delay, delay, delay.

As in the past, as for example during the long contest for authorization of the Colorado River storage project, delay means additional benefits, additional profits for those who have to the detriment of those who have not.

From California, we now hear criticism of a possible diversion of water from that which is surplus in northern coastal streams southward past the Tehachapis and possibly into Arizona. But no one mentioned that this is a purely exploratory second phase of the total program and is not firmed up in any sense of the word.

Everyone has been viewing with alarm the purported abrogation of the county of origin philosophy in California's water law without pointing out that the successful Central Valley project and the State water plan also transport water out of the county of origin. Both plans utilize only surplus water, and if the second phase of the Pacific Southwest water plan is adopted, certainly nothing more than surplus water would be diverted.

I might also point out that if the county of origin philosophy were extended to the Colorado River, California, Arizona, and Nevada would have a pitifully small supply of water from that stream, for virtually all Colorado River water originates in the high mountains of the Upper Basin States.

We have also been blanketed into a scattergun attack by a national magazine on pork-barrelling by Federal construction agencies. I must give credit to an eastern Congressman, my good friend MIKE KIRWAN, of Ohio, for mounting the first rebuttal against this attack. Congressman KIRWAN saw a copy of the article before the magazine hit the streets. He was immediately on the phone with me seeking facts and figures for his rebuttal.

There are other problems which are contributing to the blockade on reclamation, but I have done enough viewing with alarm about this negative thinking.

Those of you who know me know that I am not normally of a pessimistic nature. But you know also that I am not backward in speaking my mind, and when things need to be said, I try to lay it on the line.

So today, as you wind up this convention, let's look to the future. Let's wake up to the needs of tomorrow. Let's bury the bugaboos and the fears that seem to possess us today. As individuals, we are interdependent. None of us can exist alone, nor can we solve our problems alone. As communities, as States, as river basins, we are also interdependent. The day is gone when each of us could plan his own little irrigation project without considering its effect elsewhere. We must plan and work together, and only by so doing can we be successful. We must mix a little of the spirit of human kindness, of compromise, of arbitration, into our daily doings.

Let's start thinking positively and cooperatively about our water needs and ways to meet them. I have found Secretary Udall, the administration, and the Congress more than willing to go along with a reclamation program which has a solid foundation and

solid backing. Representative WAYNE ASPINALL, the chairman of the House Interior and Insular Affairs Committee, said as much in a recent speech before the Arizona Reclamation Association.

But Congress is not disposed to push for action on any program when there is dissension, opposition, or even plain and simple lethargy in the ranks.

The Frypan-Arkansas project was not authorized until Colorado settled its intrastate dispute and also enlisted outside support. It was necessary for the Upper Colorado River Basin States to compromise their differences before they could hope to undertake a project which will mean so much to them.

In fact, to go back to the organization of this National Reclamation Association, reclamation was at something of a standstill 30 years ago because of lethargy and national indifference. Your organization at that time moved forthrightly and vigorously to generate action.

We are marking, this year, the 30th anniversary of the start of construction of Grand Coulee Dam. There were viewers with alarm in those days as there are today who wanted to talk the project to death for their own private benefit or because they genuinely feared it would be a white elephant. But because of the favorable national public climate created by such organizations as yours, President Franklin D. Roosevelt was able to authorize and direct construction of the dam with a stroke of his pen. Who is there today who will not say that it is one of the wisest investments ever made in behalf of the future of our Nation.

Or how many of you realize today that most of the early reclamation projects were authorized on secretarial findings of feasibility. Congress supported this executive action when it supplied funds to undertake construction.

How the climate has changed. The viewers with alarm, the professional pessimists, the special interests, have centered their opposition on Reclamation to such a degree that it would be politically suicidal to authorize any project by executive action. And because of this same climate, Congress is reluctant to push ahead.

I say it is up to you to reverse this thinking. In my first speech to this organization—as Commissioner of Reclamation—in November 1959, I urged you to speak out in positive terms to emphasize what you are for, to avoid a brand of negativism; positive support from this organization is vital to a continuing reclamation program. It is up to you to keep the Nation informed about reclamation as a wise national investment and as an investment in the peace and prosperity of the world. I say it is not only time to wake up America as to the challenge of the worldwide need for food and fiber—the sinews of lasting peace—but also to wake up the National Reclamation Association as to the need of positive thinking about the future of the vital work you organized to sponsor three decades ago.

BUSINESS COMPETITION AS A RESULT OF AID ACTIVITIES

Mr. COTTON. Mr. President, Jack Anderson, who is an associate of columnist Drew Pearson, wrote an article which appeared in this morning's Washington Post. The statements in the article may have been accurate or not accurate, but I think it is highly important that our friends on the Foreign Relations Committee, through their staff or

such men as they have at their disposal, should inform us in the Senate as to the extent to which the allegations in this article are true. To me, they were rather shocking, although I had a vague idea of some of the magnitude of the matters covered. I quote briefly:

Plainly, aid money has built foreign factories which today are forcing American firms out of business and American workers out of work.

Later in the article Mr. Anderson states:

In the last 5 years, foreign aid has built, expanded or modernized 31 pulp and paper plants, 24 chemical plants, 13 aluminum plants, and 22 rubber processing plants. It has given another 27 loans or grants for studies or construction of petroleum refineries.

Our tax money also has built foreign shipyards, plastic plants, pottery works, engineering labs, and industrial research centers.

A reported \$2 billion has gone out of the U.S. Treasury to build or expand 179 foreign steel mills. This American generosity has helped to reduce our share of the world's steel market from 17 percent in 1950 to less than 6 percent.

Result: Our steel mills are operating today at only about 60 percent of their capacity.

Of particular interest to the Senator from New Hampshire, who has been concerned with and fighting for the preservation of the textile industry for the past several years, the writer indicates that shirts from Hong Kong were found on the same counter as American-made shirts that were selling for \$5.95, those shirts having been made with modern machinery and equipment which could turn them out at \$1.99.

Mr. Anderson reminds us that—

In the past 10 years, nearly 4 million cotton spindles have been closed down and 290,000 millworkers have lost their jobs. Another 350 woolen and worsted mills have been closed, putting an additional 105,000 people out of work.

Textile leaders have begged the Government for a little of the aid that has been given to the Japanese industry. But they have been largely ignored.

Mr. President, I ask unanimous consent that this article appear at this point in the Record, following my remarks.

I again earnestly and seriously express the hope that the Foreign Relations Committee will, before the termination of this debate, give the Senate the information, and if these allegations are not accurate in their details, give us the accurate statistics, because it is high time, after all these years of bolstering those who needed our help, that we take into consideration the people who are being made jobless at home, before we cast our final vote on the foreign aid bill.

There being no objection, the article was ordered to be printed in the Record, as follows:

AID BUILDS BUSINESS COMPETITION

(By Jack Anderson)

Foreign aid has bubblegummed in Uncle Sam's face, and he's now unhappily picking it out of his whiskers.

But plainly, aid money has built foreign factories which today are forcing American firms out of business and American workers out of work.

This is a development Senators can no longer overlook as they debate this week how much more money to ladle out to needy nations.

For our income tax payments already have helped to build up competitive industries overseas, often providing them with more advanced equipment than our own.

Result: At home, one industry after another has been forced by foreign competition to cut back production, thus adding to our 4 million unemployed and multimillion-dollar gold loss.

Few seriously suggest that foreign aid should be cut off. With two-thirds of the world living on the starvation line and easy prey to communism, the United States in the interests of its own security must continue to help the underdeveloped nations to help themselves.

Yet in the last 5 years, foreign aid has built, expanded or modernized: 31 pulp and paper plants, 24 chemical plants, 13 aluminum plants and 22 rubber processing plants. It has given another 27 loans or grants for studies or construction of petroleum refineries.

GENEROSITY BACKFIRES

Our tax money also has built foreign shipyards, plastic plants, pottery works, engineering labs and industrial research centers.

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Result: Our steel mills are operating today at only about 60 percent of their capacity.

Congressman BOB CASEY points a finger, for instance, at Mexico across the border from his native Texas. In 1960, Mexico exported only 65 tons of steel plate to the United States. Two years later, the figure had risen to 12,000 tons, which has already been more than doubled this year.

"Whose tax money," cries CASEY, "do you think built the 22 Mexican steel mills under our aid program?"

For the textile industry, the aid-pampered competition has been even more disastrous. No one seems able to say exactly how many rival mills Uncle Sam has built around the world.

But South Carolina Congressman ROBERT HEMPHILL has said: "In our efforts to revitalize Japan as a bulwark against communism, we participated technically, financially, and otherwise in creating a Japanese textile industry that today threatens our own with ruin."

SHIRTS AT \$1.99

On a trip to the Orient, HEMPHILL also saw U.S.-financed textile plants in India, Korea, Formosa, and Hong Kong. He saw in Hong Kong mills with the latest American looms, far finer than most American mills have been able to afford.

He was hardly surprised later to find, in a South Carolina department store, men's dress shirts from Hong Kong offered for \$1.99 alongside American-made shirts priced at \$5.95. Few consumers are so patriotic that they will pay the extra \$3.96 for an all-American shirt.

In the past 10 years, nearly 4 million cotton spindles have been closed down and 290,000 mill workers have lost their jobs. Another 350 woolen and worsted mills have been closed, putting an additional 105,000 people out of work.

Textile leaders have begged the Government for a little of the aid that has been given to the Japanese industry. But they have been largely ignored.

An ailing factory apparently can't qualify for U.S. aid unless it is located overseas.

Foreign shipyards built with aid money and cheap foreign steel are pushing our own shipbuilding industry to the wall. Since 1948, more than \$600 million in aid has gone to build or modernize foreign yards. Add the assistance given to foreign steel mills, and American shipbuilders are working under a \$1 billion handicap.

MUSHROOMS FROM TAIWAN

Even American mushroom growers have hired a Washington attorney to seek relief from the competition of the U.S.-financed mushroom industry in Taiwan. Uncle Sam's experts looked around for some way to help the economy of Taiwan and decided mushrooms might do the trick. They sent over prize spores, taught the peasants how to cultivate. The new industry literally mushroomed.

The first mushrooms from Taiwan started coming into this country in 1960. Exports doubled the following year, doubled again in 1962. Now Formosan mushrooms account for 25 percent of American consumption of the edible fungi.

It is hard to disagree with those American businessmen who are plaintively asking a rather deaf Uncle Sam: "Isn't it time some charity began at home?"

FOREIGN AID

Mr. JAVITS. Mr. President, the meaning of the Senate's action in adopting amendments banning aid to Indonesia and the United Arab Republic is to place Congress squarely behind the principle that our aid should be used for the purposes for which it is intended; that is, for the achievement of higher living standards, peace, and stability.

When it becomes obvious to the President that our aid is being misused and diverted by the rulers of the above-mentioned or any other countries for aggressive actions and to develop a military potential which threatens the basic objectives of our policy, then Congress has said very firmly that it wants such aid stopped. We cannot succeed in our efforts for peace in a free world if we continue to assist those who are determined to undermine it. And we should not be placed in the embarrassing predicament of giving aid to countries who promptly dissipate it by threatening or engaging in hostilities with each other or with other nations who are also receiving our assistance.

We would thus drive home to those who are misusing our assistance the uselessness of their aggressive actions and the fact that the United States will not put up with a continuation of the abuse of this program. We have put reasonable conditions on our aid to Latin America to insure that our objectives will be met. There is no reason why we cannot expect as much from the application of our assistance to other countries. We must be sure that U.S. assistance is used to support and reinforce peace between the nations who are receiving our aid, and become a resource for the development of higher living standards and greater economic cooperation for peace.

Mr. President, I think it is important, since the Senate took some action yesterday on the foreign aid bill which involved Yugoslavia, Indonesia, and the United Arab Republic, to show the con-

tinuity and the unity of policy which the Senate has adopted in that regard.

As I see it, the Senate intended to place itself squarely behind the principle that when this country's aid is being used for purposes for which we did not intend it, we should ask the President to cut it off. And when it becomes obvious to the President that our aid is being diverted to aggressive purposes by those who are ruling in particular countries which we aid, or to develop their military potential, through misuse of the objectives of our policy, we will not aid such countries.

The aid which moves out from this country is unilateral aid. Therefore, I do not consider this as invidious conduct, because we will drive home to those who are using our assistance the uselessness of their aggressive action and the fact that the United States will not put up with a continuation of the abuses which they practice.

We have provided reasonable limitations on use of aid under the Alliance for Progress to make sure that our objectives will be met. There is no reason why we should not expect as much by placing conditions upon our assistance to other countries. We should make sure that our assistance is used for the purposes of bringing about a higher standard of living and for social and economic stability. We must be sure it is not used as a substitute for other resources which are used for aggression, or to buttress rulers who would engage in subversion or threaten to destroy other countries which we are similarly aiding.

So I see a real continuity of policy in respect to the provision which we adopted as to Yugoslavia, Indonesia, and the United Arab Republic.

Since I know it must be implemented by the State Department, I hope the administration will understand our purpose and that it will not be necessary for us to proceed in a condescending way to try to limit what should be the free hand of the President of the United States to deal with the foreign policy of this country.

ORDER OF BUSINESS

Mr. DOMINICK obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield, with the understanding that he will not lose the floor, so as to permit the consideration of bills to which there is no objection? The Senator from Colorado can then be recognized for the full 3 minutes, and more if he needs it.

Mr. DOMINICK. I yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 610, S. 2079, and certain other measures to which there is no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

STRIKING OF MEDALS IN COMMEMORATION OF FEDERAL HALL NATIONAL MEMORIAL, CASTLE CLINTON NATIONAL MONUMENT, AND STATUE OF LIBERTY

The Senate proceeded to consider the bill (S. 2079) to provide for the striking of three different medals in commemoration of the Federal Hall National Memorial, Castle Clinton National Monument, and Statue of Liberty National Monument-American Museum of Immigration in New York City, N.Y., which had been reported from the Committee on Banking and Currency, with amendments, on page 3, line 3, after "December 31," to strike out "1973" and insert "1965", and in line 4, after the word "struck", to insert "under the authority of this Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in commemoration of three congressionally designated national historic shrines located in New York City, New York, scheduled by the National Park Service of the United States Department of the Interior for official opening during the New York World's Fair, 1964-1965; namely, Federal Hall National Memorial, Castle Clinton National Monument, and Statue of Liberty National Monument American Museum of Immigration, the Secretary of the Treasury is authorized and directed to strike and furnish to the New York City National Shrines Advisory Board a Liberty Series of three different medals of a grand total of no more than seven hundred and sixty-five thousand medals with suitable emblems, devices, and inscriptions to be determined by the New York City National Shrines Advisory Board and subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as may be required by the advisory board in quantities of not less than two thousand. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

Sec. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for full payment of such cost.

Sec. 3. The medals authorized to be issued pursuant to this bill shall be of such size or sizes and of such metals as shall be determined by the Secretary of the Treasury in consultation with such advisory board.

Sec. 4. After December 31, 1965, no further medals shall be struck under the authority of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JAVITS. Mr. President, on behalf of myself and my colleague [Mr. KEATING] I thank the majority leader for bringing up S. 2079, the medal bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 633), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 2079 would provide for the issuance of a liberty series consisting of three different national medals to commemorate three congressionally designated national historic shrines located in New York City: the Federal Hall National Memorial, the Castle Clinton National Monument, and the Statue of Liberty National Monument American Museum of Immigration. Up to 765,000 of these medals would be furnished to the New York City National Shrines Advisory Board, which would reimburse the mint for the full cost of manufacture for resale to provide funds to complete these shrines.

The Treasury Department has recommended that the bill, as introduced, be amended to limit the time within which these medals may be struck to 2 years, instead of the 10 years proposed, and has suggested an additional technical amendment. Sponsors of the bill have agreed to these amendments which are reflected in the bill as reported.

The importance of the historic shrines which these medals would commemorate, and their relationship to the 1964 New York World's Fair, are set forth in a letter from Senator JAVRS which is printed below as part of this report. A letter from the Treasury Department commenting on the bill is also printed below as part of the report.

FINANCIAL ASSISTANCE TO VICTIMS OF FUTURE FLOOD DISASTERS

The bill (S. 2032) to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Housing and Home Finance Administrator shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood disasters, including alternative methods of Federal flood insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the enactment of this Act or the appropriation of funds for this study, whichever is later. The report shall include, among other things, an indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation. With respect to each method of flood insurance considered, the report shall include an indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage, and the feasibility of initiating a flood insurance program on an experimental basis in designated pilot areas. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed

in the RECORD an excerpt from the report (No. 634), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 2032 would direct the Housing and Home Finance Administrator to undertake a study of alternative programs to help provide financial assistance to victims of future flood disasters, including the present and other possible Federal flood insurance programs, and related matters. A report would be made to the Congress within 9 months from the enactment of the act or the appropriation of funds, whichever might be later.

BACKGROUND OF THE BILL

S. 2032 was introduced on August 8, 1963. Favorable reports were received from the Housing and Home Finance Agency on August 23, the Bureau of the Budget on September 5, and the Small Business Administration on September 13. Copies of these letters are printed below as part of this report.

S. 2032, 88th Congress, is identical with S. 3066, 87th Congress, 2d session, as reported by this committee. S. 3066 was passed by the Senate on July 25, 1962, but it did not become law.

PREVIOUS LEGISLATION

Floods and other disasters have called for Federal action for many generations. Sometimes this action has taken the form of preventive public works along the coasts and rivers of the United States, sometimes it has taken the form of relief to the victims of these disasters.

Following the disastrous floods of 1955 and 1956, the Senate Banking and Currency Committee made a thorough study of the problem of floods and other disasters and of Federal assistance to the victims of such disasters. Extensive hearings were held by the committee in those years, both in the District of Columbia and in many of the affected areas. In addition, the committee issued a staff study on the subject of Federal disaster insurance (S. Rept. 1313, 84th Cong.). This study contained an extensive collection of information on the subject of floods and other disasters and the damages resulting therefrom. It also contained a survey of the relief provided by the Federal Government and by State, local, and private organizations to the victims of disasters. Following the committee's investigation of the matter, a bill was reported out by the committee (S. Rept. 1864, 84th Cong.), which became the Federal Flood Insurance Act of 1956 (Public Law 1016, 84th Cong.).

This act provided for the establishment of three programs—a Federal flood insurance program, a Federal flood reinsurance program, and a Federal loan contract program covering flood losses. Upon the enactment of this act, the Federal Flood Indemnity Administration was created as a constituent unit of the Housing and Home Finance Agency. Extensive discussions were held with other Federal agencies, with State and local governments, and with the insurance industry. However, no satisfactory program was developed, and following the refusal of the Congress to grant appropriations to provide funds for the flood indemnity program, the Federal Flood Indemnity Administration was abolished and a final report on its activities was transmitted to the Congress by the President on July 28, 1958 (H. Doc. 426, 85th Cong.). A copy of this report was printed as a part of the committee's hearings on S. 3066, 87th Congress.

THE PROPOSED STUDY

S. 2032 would authorize and require—

"An immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood disasters, including alternative methods of Federal flood insurance, as well as the existing flood insurance program."

The bill provides that the report to be filed must include—

"An indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation."

In addition, the bill requires the report to include, with respect to each method of flood insurance considered—

"An indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage, and the feasibility of initiating a flood insurance program on an experimental basis in designated pilot areas."

The Housing and Home Finance Administrator testified at the hearing on S. 3066 in 1962 that the agency had consulted with the Corps of Engineers, the Geological Survey, the Weather Bureau, the Department of Agriculture, and the Bureau of the Budget as to the type of study which might be understood under the resolution. These agencies concluded that it would be desirable to make a detailed study of seven or eight selected areas for which hydrological data and contour maps are available.

The Administrator testified that—

"The areas selected would provide appropriate geographical representation and include coastal as well as inland flood plain areas and would vary in size and include residential, industrial, and commercial developments. The hydrological data relating to these areas could then be studied to develop estimates of the probability of occurrence of floods. These could be delineated on contour maps so as to indicate the sections of the areas which would be inundated by floods of various probabilities of occurrence. In addition, a study could be made of the value of the properties subject to flooding, the estimated damages to these properties when floods do occur, and the estimated average annual damage. With this information estimated insurance premium rates could be developed which would be necessary to cover the average annual loss in these particular areas and a determination would be made as to whether it would be feasible to initiate a flood insurance program on an experimental basis."

"If this study is authorized we would work in close cooperation with the appropriate Federal departments and agencies, particularly the Corps of Engineers, the Geological Survey, the Weather Bureau, and TVA, which have accumulated a wealth of data and knowledge pertaining to floods and flood plains, and the Department of Agriculture, which administers the Federal crop insurance program through the Federal Crop Insurance Corporation. The Corps of Engineers would conduct the studies in the pilot areas and an analysis of these studies would be carried on in cooperation with the corps, the Geological Survey, and the Weather Bureau. Both the TVA and the Corps of Engineers have developed programs of assistance and information in the field of flood plain zoning. We would look to these agencies for

advice on problems that relate to zoning. We would also consult with the Council of State Governments, which, for many years, has expressed keen interest in flood plain zoning and flood insurance. Representatives of the insurance industry who we understand were most cooperative in the planning of the flood indemnity program under the Federal Flood Insurance Act of 1956 would be consulted with reference to the studies on the feasibility of flood insurance programs."

On May 31, 1962, the President issued a statement expressing his support for the bill and indicating that a supplemental request for appropriations of approximately one-half million dollars to finance the study would be submitted at the appropriate time.

Since S. 2032 only authorizes appropriations, the committee expected that any appropriate further details with respect to the proposed study, and a detailed justification of every aspect of it, would be presented to the Appropriations Committees.

"[S. 2032, 88th Cong., 1st sess.]

"A bill to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Housing and Home Finance Administrator shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood disasters, including alternative methods of Federal flood insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the enactment of this Act or the appropriation of funds for this study, whichever is later. The report shall include, among other things, an indication of the feasibility of each program studied, an estimate of its cost to the Federal Government and to property owners on the basis of reasonable assumptions, and the legal authority for State financial participation. With respect to each method of flood insurance considered, the report shall include an indication of the schedule of estimated rates adequate to pay all claims for probable losses over a reasonable period of years, the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage, and the feasibility of initiating a flood insurance program on an experimental basis in designated pilot areas. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act."

STUDY OF NATIONAL SYSTEM OF SCENIC HIGHWAYS

The Senate proceeded to consider the resolution (S. Res. 217) to authorize a study of a national system of scenic highways which had been reported from the Committee on Public Works with amendments, on page 2, line 19, after "January 31," to strike out "1965" and insert "1964"; on page 3, at the beginning of line 1, to strike out "consultants;" and insert "consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than \$1,600 than the highest gross rate paid to any other employee;" in line 15, after the word "date", to strike out

the comma and "but not later than January 31, 1965", and in line 17, after the word "exceed", to strike out "\$50,000" and insert "\$20,000"; so as to make the resolution read:

S. RES. 217

[Rept. No. 635]

Resolved, That the Committee on Public Works, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a detailed study and investigation concerning the role that the development and establishment of a national system of scenic highways could play in the Nation's recreation program. Such study and investigation shall include, but not be limited to: (1) an analysis of the functions of such a system, (2) the design criteria to be utilized, (3) the methods of financing the necessary construction, (4) the status of existing State plans for scenic highway systems, (5) the nature and extent of Federal, State, and local participation and responsibility, and (6) recommendations for Federal, State, and local action.

SEC. 2. For the purposes of this resolution the committee, from the date on which this resolution is agreed to through January 31, 1964, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than \$1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings upon the study and investigation authorized by this resolution together with its recommendations for such legislation as it deems advisable to the Senate at the earliest practicable date.

SEC. 4. The expenses of the committee under this resolution which shall not exceed \$20,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was amended, so as to read:

Whereas an adequate recreational program is essential to the well-being of our citizens; and

Whereas the recreational needs of the Nation are growing at an ever-increasing rate; and

Whereas these needs are intensified because the recreational facilities available to our citizens are limited; and

Whereas the Congress has shown its recognition of these needs by providing within the limited areas which remain for the development of national parks and national seashore; and

Whereas there are miles of shoreline along the Atlantic, Pacific and Arctic Oceans, the gulf coast, and the Great Lakes, and miles of forest, park, river and valley, and mountain scenery which provide an excellent potential for scenic highway recreational use; and

Whereas the Outdoor Recreation Resources Review Commission has indicated that sight-seeing by automobile is the Nation's number one outdoor recreational activity: Therefore be it

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 635) explaining the purposes of the resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The proposed resolution would authorize a Public Works Committee study of the potentialities and feasibility of a national scenic roads system with consideration of design criteria, alternative methods of funding, the extent of local and State participation, the level of present State planning, as well as other aspects.

The Interstate System is showing good progress toward resolving the transportation problems between our major population centers. But with the continuation of the long-term population trend to the large metropolitan areas there is a growing need to provide access of urban dwellers to scenic and outdoor recreation areas.

The Outdoor Recreation Resources Review Commission recently reported that the most popular form of recreation (20.7 percent) is driving. Thus the drive through the countryside is the first priority for those who seek outdoor recreation.

However, less sedentary pursuits have in recent years shown a marked increase. While population increased 19 percent from 1952 to 1962, recreation visits to the national forests during the same period increased 240 percent, from 33 million in 1952 to 113 million in 1962. Thus, there is an evident and growing need for a scenic and recreational highway program linked to the Interstate System. The proposed study would explore the means of meeting this need and of coordinating existing and proposed scenic and recreation highways.

There are at present some 28,000 miles of forest highways administered by the States which, though providing an extensive network, do not constitute a system. In addition, there are more than 186,000 miles of forest development roads which are principally designed and built to serve timber hauling, but which, under the Multiple-Use Act of 1960, are to be administered by the Forest Service for recreational uses as well.

Also under the administration of the Forest Service are three preliminary reconnaissance studies and cost estimates for scenic and recreation roads in national forests: 160 miles in the Monongahela National Forest in West Virginia, 48 miles in the Nantahala National Forest in North Carolina, and 55 miles in the Ouachita National Forest of Arkansas and Oklahoma. Other projects on public lands include 45 miles in the Carson National Forest in New Mexico, bridge and section of highway crossing the Colorado River at Hite, Utah, and roads on Federal lands in Georgia, Montana, and Arizona.

In addition, the National Park Service administers 7,000 miles of roads in 26 millions acres of federally owned lands, which received a total visitation in 1961 of 80 million.

Finally, the study would consider means of facilitating the development and incorporation of the proposed Great River Road in a national system of scenic highways. To study and evaluate all of the aforementioned, as well as such State scenic road programs as that of California, with a view toward developing a national system would be the purpose of the proposed inquiry.

COMMITTEE VIEWS

It is the view of the committee that the study as proposed by this resolution would be extremely valuable in providing the Congress with the necessary facts to determine whether there shall be a nationwide program of coordinated, as opposed to piecemeal development of scenic roads designed to serve the needs of the millions of Americans who desire outdoor recreation and the opportunity to appreciate the beauty of America's natural resources.

The committee therefore recommends the approval of this resolution.

USE OF CERTAIN PROPERTY AT MUSCATINE, IOWA, FOR PUBLIC PARK

The bill (H.R. 5244) to modify the project on the Mississippi River at Muscatine, Iowa, to permit the use of certain property for public park purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 636) explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 5244 is to modify the project for a small-boat harbor and public landing area on the Mississippi River at Muscatine, Iowa, authorized by the River and Harbor Act approved May 17, 1950 (64 Stat. 166), to permit the use of certain property for public park and recreation purposes.

GENERAL STATEMENT

Muscatine Harbor is located on the Mississippi River along the waterfront of the city of Muscatine, Iowa, about 465 miles above the mouth of the Ohio River. The project consists of a small-boat harbor, with a minimum depth of 5 feet, protected by a rockfill breakwater, and an approach area with a depth of 9 feet to a public landing site for freight, commerce, and industrial development. The dredge spoil from the approach area was deposited to create the site for the public landing and an industrial area.

The project was authorized by the River and Harbor Act of 1950, in accordance with the plan of improvement recommended by the Chief of Engineers in House Document No. 733, 80th Congress. One of the requirements of local cooperation was that upon completion of the fill for the industrial site, local interests would provide adequate public terminal and transfer facilities and access roads, open to all on equal terms, and a grain elevator.

Construction of the project was completed in May 1961, at a Federal cost of \$300,680. The commerce envisioned by local interests which would utilize the proposed commercial landing facilities at the completed project has not developed. Local officials at Muscatine desire to use an area of about 10 acres of this land, which is owned by the city, for public park and recreational purposes, in conjunction with the adjacent city park. H.R. 5244 would permit such use, and would further require that local interests provide and maintain at local expense adequate public terminal and transfer facilities open to all on equal terms.

The Department of the Army, as well as local interests, consider that under the circumstances which exist at Muscatine the conditions of local cooperation have been fulfilled to the extent presently possible.

The bill contains adequate safeguards to require local interests to provide for development of public terminal and transfer facilities on a portion of the riverfront property if necessitated in the future.

COST

The enactment of H.R. 5244 would involve no cost to the United States.

Mr. MANSFIELD. Mr. President, those are all the bills on the calendar to be taken up at this time.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, for the consideration of the one nomination on the calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the nomination on the Executive Calendar will be stated.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of J. Dewey Daane, of Virginia, to be a member of the Board of Governors of the Federal Reserve System.

Mr. PROXMIRE. Mr. President, Mr. Daane appeared before the Banking and Currency Committee yesterday and made an excellent impression. His nomination was unanimously supported by all members of the committee. He is one of the best qualified men ever appointed to the Federal Reserve Board.

I also want to say that his attitude on monetary policies are in conflict with mine, and I believe at least partly with those of the distinguished senior Senator from Illinois [Mr. DOUGLAS].

I make the point because in the future there may be equally qualified men whose attitude may conflict with those of other members of the committee. I hope other members of the committee and of the Senate who may disagree on some aspects of policy will recognize the President's right to appoint qualified men who may have divergent views on monetary policy to the Federal Reserve Board. I hope that other members of the Banking Committee will vote to approve qualified Presidential appointees to the Federal Reserve Board in the future, although those appointees may agree with Senator DOUGLAS and me, and disagree with them.

I hope this nomination will be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination? Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified immediately of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. I thank the Senator from Colorado [Mr. DOMINICK] for his courtesy.

Mr. DOMINICK. Mr. President—
Mr. GRUENING. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. The Senator from Colorado is recognized.

FOREIGN AID AND FOREIGN POLICY

Mr. DOMINICK. Mr. President, we have been talking about the foreign aid bill for a few weeks, and I presume the debate will continue for some time. What the bill involves, basically, is whether or not the foreign policies which have been in effect for a number of years have been successful. I have made a number of speeches, not only on the situation in Cuba, but also on other relationships of foreign policy since President Kennedy was inaugurated, and have declared that his foreign policy has been a dismal failure. I still think it has been a dismal failure, and that it will continue to be so long as the present policies are pursued.

The other day I was very much interested to hear an impassioned speech by the distinguished Senator from Minnesota [Mr. HUMPHREY] on the Alliance for Progress, and what a great undertaking the Alliance for Progress is.

I have before me a publication entitled "Pan American Headlines," for September-October 1963, which lists four principal planks of the Kennedy program in Latin America. In 2½ years all four of these Kennedy-accepted policies have either failed or shown their stark unworkability. One of these happens to be the Alliance for Progress.

Yesterday I was extremely interested to read an interesting article published in the Wall Street Journal entitled "Bleeding in Brazil," written by a highly qualified reporter, Henry Gemmill. The article deals with the problems which U.S. private enterprise and the AID program are having in Brazil. The article is so pertinent that I believe I should read an excerpt from it, and then ask that the entire article be printed in the RECORD at the conclusion of my remarks.

Mr. Gemmill writes:

The Brazilian Government, delinquent on around \$100 million of crude oil import bills piled up over the past year, is demanding international oil companies wrap the debt in a pay-later package and stick it in a dark closet. Simultaneously, the Government is insisting the same companies' distributing subsidiaries inside Brazil pay pronto a tax far exceeding their resources. Any company resisting

either demand faces the threat of being tossed out of the Brazilian oil business.

This is only in connection with the program so far as the Alliance for Progress is concerned.

I ask unanimous consent that the article, published in the Pan American Headlines, and the one to which I have just referred, published in the Wall Street Journal, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMINICK. In addition, we have seen a complete disarray amongst our NATO allies in connection with our foreign policy. I have before me, under date of October 21, a letter forwarded from Toronto, Ontario, enclosing a copy of an editorial from the Financial Post, which is referred to as "Canada's national weekly of business, investment, and public affairs." The article, published in the October 19 issue of the Financial Post, is entitled "Kennedy to Meany to Hall to Banks." The subhead reads "Alliance, Yes; Holy, No."

This is a really biting article, criticizing this administration in connection with its activities in Canadian labor affairs and labor disputes on the Great Lakes. It shows once more how we are interfering with our own free world allies in an effort, apparently, to satisfy local political pressures in the United States, in an area where we have no right whatever, and in which we are doing nothing at all to guarantee any friendship or cooperation from the Canadians as a whole.

I ask unanimous consent that the article from the Financial Post may also be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

[From Pan American Headlines, September-October 1963]

KENNEDY POLICIES TOTTERING IN LATIN AMERICA—LEFT-LIBERAL PROGRAM ANNOUNCED IN 1961 NOW SEEN TO BE UNWORKABLE

The crashing fall of Juan Bosch in the Dominican Republic was more than a passing political incident. It rang down the curtain upon the whole unworkable Kennedy plan for Latin America.

Bosch's rule in the Dominican Republic was a keystone of this plan. As Tad Szulc pointed out in the New York Times (September 8), the Bosch regime "has the anxious blessings of the Kennedy administration." Bosch's election last December was greeted by the whole rout of administration leftists as the signal of the success of the left-liberal program for Latin America. This is the program which was sold to President Kennedy in December 1960, before his inauguration, by Adolf A. Berle, Luis Muñoz-Marín, and Arthur M. Schlesinger, Jr.

The signal has now proved to be delusive. One by one, the Berle-Muñoz-Marín proposals have shattered upon the rock of actuality. Bosch's fall is likely to be the final melancholy chapter.

The ambitious plan which Berle submitted to the President shortly after Inauguration Day, as head of the President's Latin American task force, embraced four main objectives. These were:

1. To bring about the early liberation of Cuba.

2. To rid the hemisphere of all remaining dictators or military governments and to replace them by democracies on the U.S. model.

3. To bulwark these democracies by a wide-ranging program of economic development, principally financed by Washington, and pretentiously named, Alliance for Progress.

4. To use Socialists and crypto-Communists as our shock troops against communism in the Americas and to back these leftists, when they came to power, with full U.S. support.

In 2½ years, all four of these Kennedy-accepted policies have either failed or shown their stark unworkability.

1. The Cuba liberation which, under 1961 conditions, should have been a quick clean-up job founded 4 months after Inauguration Day, at the Bay of Pigs, as a result of the President's own irresolution. When, 18 months later, Mr. Kennedy had a second chance, in the October 22, 1962, confrontation, he flunked the test again. Today, Castro's rule in Cuba stands at its strongest peak.

2. The "end dictatorship" project has also come to an unhappy dead end. After the Washington-encouraged fall of Trujillo in the Dominican Republic, only three dictatorships or military governments remained in the hemisphere—Paraguay, Haiti and Nicaragua. Today, their number has increased to six. New accessions—Guatemala, Ecuador, and now the Dominican Republic.

The situation is even more disheartening from the Berle-Muñoz-Marín point of view. Two other powerful nations—Peru and Argentina—have also found it necessary during the Kennedy period to suspend democracy by action of the military in order to forestall the Communists. Both have subsequently restored democratic rule.

The curve of democracy in Latin America has turned steadily downward since 1963. And yet, President Kennedy promised on September 12, 1960, that if elected he would end all dictators in this hemisphere in 3 years.

3. The Alliance for Progress, which was unwrapped at the White House with such fanfare on March 14, 1961, has proved pretty much of a dud. With few exceptions, the Latin American countries, while they still avidly accept the American handouts, are completely disenchanted. Only the well-paid professional staff members, like Mr. Moscoso, still sing its praises.

This jaundiced view also seems to prevail in our own Congress which has just sliced \$150 million off the Kennedy-requested Alliance for Progress appropriations for 1964.

Although the President has now committed \$2,180 million of American taxpayers' money to the Alliance, he himself admitted sadly in August that "we have a long, long way to go, and in fact, in some ways the road seems longer than it was when we started."

4. But dearest to the liberal heart was the "we must support the Socialists" proposal. The liberal advisers who sold Mr. Kennedy this preposterous idea contemplated a chain belt of Socialist and crypto-Communist ruled nations dominating the Caribbean and bisecting South America. The pivot man in this plan was to be Romulo Betancourt, President of Venezuela, whom Mr. Kennedy foolishly hailed in 1962 as "the kind of President the United States wants in South America." With Betancourt's Venezuela as a sort of hub, the liberals envisaged a stretch of leftist countries including Costa Rica, Bolivia, Ecuador and eventually Chile. They would be a powerful, cohesive bloc in the OAS and it was assumed (a farfetched assumption) that they would back the United States more dependably than would the conservative-ruled countries.

Two big setbacks, both executed by the military—first the sidetracking of crypto-Communist Haya de la Torre in Peru, and

next the deposition of leftist President Arosemena in Ecuador—wrecked the South American plans of the Betancourt coterie. However, Juan Bosch's triumph in the Dominican Republic gave them an unexpected reach into the Caribbean. Last summer, Betancourt even contemplated a barefaced conquest of Haiti, to add to his satellite domain. Upon this power plan, the fall of Bosch drops like a knell. The dream of a third force of crypto-Communist countries holding the balance of power in the Americas is now shattered. The American liberals who glowingly supported this idea, are now confounded by the remorseless logic of events.

With this elaborate program of change lying about him in ruins, after only two and a half years, Mr. Kennedy faces some hardnose decisions. Will he continue to press his program now that Latin Americans have so plainly demonstrated that they don't want it? Can he untangle himself from the doctrinaire liberal advisers who are pressuring him to go further with these unworkable experiments? Mr. Kennedy must soon come up with the answers.

[From the Wall Street Journal, Nov. 5, 1963]

BLEEDING IN BRAZIL: LATIN GIANT BEMOANS EXPLOITATION BUT PUTS SQUEEZE ON U.S. FIRMS—LAND DELAYS \$100 MILLION OIL IMPORT PAYMENT BUT INSISTS FIRMS PAY BIG TAX PRONTO—AID DILEMMA FOR WASHINGTON

(By Henry Gemmill)

RIO DE JANEIRO.—Who is draining the lifeblood out of whom here?

Foreign trusts—U.S. exploiters worst of all—are bleeding this country, answer many Brazilians. But to many Americans, it looks as if Brazil is bleeding the companies, and the U.S. Government, too.

The Brazilian opinion is widespread. "The country cannot bear the heavy onus on its development entailed by enrichment of privileged groups who unduly appropriate the fruits of Brazilians' labor," says a memo splashed on the front pages of Rio newspapers and signed by President Goulart.

Other politicians agree that Brazil is despoiled by Yankee investors, traders, and even foreign aiders. Communists say the same thing, and so do nationalist tycoons.

Yet Americans in rebuttal can cite these facts:

The Brazilian Government, delinquent on around \$100 million of crude oil import bills piled up over the past year, is demanding international oil companies wrap the debt in a pay-later package and stick it in a dark closet. Simultaneously the Government is insisting the same companies' distributing subsidiaries inside Brazil pay pronto a tax far exceeding their resources. Any company resisting either demand faces the threat of being tossed out of the Brazilian oil business.

FOREIGN AID FRUSTRATION

U.S. foreign aiders have been double-crossed on some Brazilian Government commitments. Sample: Trying to use for good works the local currency from huge gift "sales" of wheat to Brazil, they've had as much as 22 billion cruzeiros blocked in the Development Bank—while a blast of inflation melts the value of this money as if it were butter in an oven. So far the Government bank has let them finance exactly one project, helping a private concern produce synthetic rubber.

Brazil, having gained a host of modern factories by Government lures to foreign corporations during the 1950's, enacted in 1962 a law limiting annual profit remittances abroad to 10 percent of investment. Fair enough in theory, perhaps, and seemingly of little significance since United States and European owners have plowed most earnings back into their businesses.

But in practice, Government paper shufflers have never gotten around to handling the required registrations. For more than a year, remittances—not just profits but interest on loans and even patent license payments—have been held near zero. This tourniquet has cut off a normal outward flow of roughly \$100 million annually.

U.S. POLICY DILEMMA

American policymakers, whether they sit in Washington offices or corporate board rooms, thus face a dilemma. Should they refuse to be bled any longer, and flatly decline to throw good money after bad? Or should they figure they're so badly hooked already that, to protect their investment, they must play along—calculating that Brazil's current course reflects neither the true interests nor the popular will of this great nation, hoping things will change for the better, and fearful of touching off a change for the worse? They find it a tough decision.

To appreciate how tough, look more closely at oil. It's Brazil's biggest import necessity. To ultranationalists here, it symbolizes the nation's struggle with giant foreign "trusts." To the companies concerned, that struggle displays the slashing skill of some of the Brazilian Government's most powerful and radical institutions.

These Government arms include:

Petrobras. This Government oil company monopolizes domestic exploration and production, but fills only a third of the nation's crude oil needs. It does the bulk of all refining. Under Mr. Goulart, executives who knew petroleum have vanished; the outfit is headed by a political general and run by leftists in key posts. Its costs are swollen by inefficiency, payroll padding and apparently the financing of such unrelated things as youth movements. The Reds would like to switch crude imports over to the Soviet, already a secondary supplier.

COUNCIL AND BANK

Conselho Nacional de Petróleo. It rules over the private sector of the oil industry, regulating retail prices and myriad other matters. This council too is infiltrated by Reds who would like to stamp out capitalism at the filling-station level.

Banco do Brasil. This bank is part of the government financial apparatus which constantly claims to fight inflation while flooding the country with paper money to cover fantastic budget deficits. It also constantly claims to be bringing foreign payments into balance, while rigging exchange rates to subsidize imports and stifle exports.

As for the foreign companies, they play a double role. First, there are the Brazilian subsidiaries of Standard Oil Co. of New Jersey, Texaco, Inc., Atlantic Refining Co., and Shell Oil Co. (Gulf Oil Corp. got out). They buy gasoline and other refined products, mainly from Petrobras. They pay the Government within a required 30 days, and then manage to distribute to the remotest village under tight price ceilings fixed by the Petroleum Council. But now, suddenly, they're not obeying another Government edict.

The council, which has just permitted a price rise of about 30 percent, demands the companies give Banco do Brasil a sum equal to their "windfall" profit on inventories. In effect, the companies, which have already paid the Government once for enormous stocks, are told they must pay for about a third of these all over again. The cash they're asked to hand over comes to roughly 12 billion cruzeiros—more than \$10 million and probably close to \$20 million, depending on which of the various rigged Brazilian exchange rates is used to translate the cruzeiro figure.

The distributing companies plead that the level of their stocks has been dictated by a council which will not permit sensible inventory trimming, and that a 30-percent price

boost is no "windfall" but a belated catchup with inflation, which now has Brazilian labor demanding 100-percent wage boosts. Finally, after years of omitted dividends, they say they don't have the money and can't find a banker who will lend it. Having paid similar cash levies in the past the companies don't say they are unwilling to pay, but contend they're unable.

The companies say some high Government officials understand the facts and express sympathy, but they have received no assurances they are being believed. In fact, Government regulators, perhaps figuring parent companies can be pressured into bringing down fresh dollars to ransom these Brazilian subsidiaries, or perhaps with a more political purpose, make this threat: Any company failing to fork over will lose its marketing quota. No quota means the company is out of business.

BUYING TACTICS

The crude oil Brazil imports from Venezuela and the Mideast is supplied mainly by producing or trading affiliates of the same four companies. In buying from them the Government, which is so insistent a collector inside Brazil, becomes an elusive debtor.

The chief purchaser is Petrobras. Though Petrobras demands payment in 30 days when selling, it does not consider a bill due until 4 months have passed when it's buying. Then it does pay.

There's one hitch, though. Payment is made by giving cruzeiros to Banco do Brasil which is supposed then to transmit dollars. The bank has been pocketing the cruzeiros and blandly telling oil suppliers it has no dollars.

Now, oil companies are confronted not merely with the prospect of carrying \$100 million of unpaid bills on the cuff, but with a Government request that this embarrassing commercial delinquency be made to vanish for a while by sticking a not-due-till-later label on it and tossing it into storage. The companies have entered negotiations. Any oil executive tempted to stalk out must consider whether he's really ready to give up this market, occupying half a continent.

A TALK WITH THE BOSS

These oil troubles illustrate the sort of battering most businesses experience if they have dealings with Brazil. Variations are innumerable. But inside Brazil the officers of many a U.S.-owned factory say they have had a "helluva" time with bosses back home, and by now the wrangling frequently evolves around whether more dollars should be brought down. Here's the outline one subsidiary officer gives of a typical conversation with his superior in the United States:

"Why should we send more money in when you fellows can't send profits out?"

"Well, this inflation has doubled the working capital we need, and we can only borrow here at more than 40 percent interest, if we can get it at all."

"You're giving everything away to your Commie union. And even that 70 percent boost 4 months ago isn't keeping them from screaming for more."

"I know, but my guys here are OK, and you should try to understand that the way things are going they really do need more money. Anyhow, we have to give it or be shut down."

"How's that nationalization bill stand in congress?"

"Still talking about it, but it looks like we'll squeak by with just price ceilings."

"You call this a case for investing stockholders' money?"

"This is still a great country with a chance for a great future, and anybody who chickens out now may be making a great mistake. But give the word and I'll have a padlock on the gate tomorrow."

"Not so fast."

A General Motors or a General Electric is physically anchored to Brazil by its plants. An American exporter may not be, but if he has a valuable traditional share in the Brazilian market for chemicals or curtain rods balance against a batch of unpaid bills, he can't escape the problem of whether and when to take his licking and cut his losses.

Even with coffee export prices riding high, one economist says Brazil is like the fellow who overspends and keeps out of bankruptcy by running around paying the mortgage, but stalling the butcher, and fending off repossession of his new car by borrowing an installment payment from a neighbor. The trouble with this comparison is that by 1964 Brazil's balance-of-payments gap is probably going to reach \$800 million. So a horde of creditors will find themselves not just in the same boat but in the same ocean liner.

The Kennedy administration will be in it with them. It, too, has a heavy commitment through the Alliance for Progress plan for uplifting the hemisphere with U.S. aid and Latin self-help. Brazil is crucial to the project. So Washington policymakers grant some aid, hold back on some, strive to get what they give to more useful destinations such as Brazilian state governments, and wonder whether and when more drastic decisions must be made.

EXHIBIT 2

[From the Financial Post, Oct. 19, 1963]

KENNEDY TO MEANY TO HALL TO BANKS

President Kennedy wants to be reelected next year but Canadians don't like being a punching bag in his political war.

The American Government is busily engaged in trying to run the affairs of dozens of countries around the world. It wears the robes and halo of sanctity. It is on the side of progress or democracy or freedom or something that sounds good.

Certainly no responsible member of the Western alliance will envy the most powerful nation on earth its responsibilities or deny its generosity or seriously criticize what the Americans stand for in the cold war.

But more and more the habit of pushing other people around is growing on the Kennedys and their clansmen in Washington.

This is frequently and amply demonstrated within the United States. Indeed, terrifying American citizens into behavior pleasing to the Kennedys is currently the political sport of the President's brother, the Attorney General.

Quite a few people and corporations who do not please the Kennedys are now finding that their current and past income tax returns are being reviewed.

And who is there who won't be intimidated by that, even if their income reports are all clean as a whistle? This Attorney General discipline is so intimidating, in fact, that U.S. news media don't write about it.

Now, with their bullying strategy perfected at home, the Kennedys and their cohorts are using it to get what they want abroad.

Take the latest example of outrageous interference—the American pressure against the Canadian Government over the labor union war on the Great Lakes.

Belatedly, the Canadian Government stepped into this mess and the trustee scheme is about to be implemented.

But the spectacle of the White House and the U.S. Secretary of Labor and the whole weighty machinery of the U.S. Government being gassed up to tell the Canadian Government what it can and cannot do about a Canadian problem is, to say the least, unpleasant.

ALLIANCE, YES; HOLY, NO

Here is the cast of characters and here is the play.

Kennedy needs the labor union vote in his presidential contest next year. That means he needs the unqualified support of George Meany, the powerful head of the AFL-CIO.

Meany is shaky in his lucrative job. Quite a few big union leaders are gunning for him, notably Walter Reuther of the Auto Workers.

To protect his hide, Meany needs all the friends he can keep and so he will do anything to please Paul Hall, the very powerful international boss of the Seafarers Union.

Paul Hall, in turn, very much needs the support of Hal Banks—and the money Banks gets out of his Canadian union members.

So when the U.S. Secretary of Labor solemnly makes an official pilgrimage to Ottawa (nobody can recall that happening before) and when he makes public declarations telling the Canadian Government what to do, he is merely doing a chore for Kennedy who wants to do a favor for George Meany, who needs Hall, who needs the notorious Hal Banks.

From Mr. Kennedy's point of view, Canada is quite unimportant. It would, in most respects, be a lot simpler for the White House and the U.S. Government if we didn't exist at all as a separate country.

It is tragic that a man of such great endowments as Kennedy should, with increasing frequency, be revealed as having a serious defect of character. His intellect and conscience too often fail him in assessment of the appropriate and seemly exercise of power.

The proverb, "The end justifies the means" with the Kennedy clan too often becomes "The end justifies any means."

Hal Banks and John F. Kennedy will understand each other completely. As "successful" men, they have good reason to admire each other.

Both Banks and Kennedy are good at kicking people around. Canadians who have not taken the oath of allegiance to the White House and to the U.S. Congress have very good cause for extreme distaste.

TRUTH IN LENDING

Mr. SIMPSON. Mr. President, the next public hearing on the so-called truth-in-lending bill will be held at the end of the third week in November. In the meantime, the battle over the issues of the deceptively labeled measure is continuing on the Senate floor.

My colleague from Illinois, Senator DOUGLAS, has inserted several items in the RECORD of late. So that the official document of these proceedings shall not be overburdened with but a single viewpoint on this important matter, I should like to place in the RECORD a news dispatch from the October 23 Washington Post.

The article points out that, Joseph Valachi notwithstanding, credit transactions in responsible retail establishments are not exorbitant and usurious as some protagonists of the truth-in-lending bill have alleged. As the story explains:

A check of Washington department stores * * * turned up none that charged as much as 3 percent. Most charged 1½, and one charged a 3-percent service charge at the time of purchase—but no interest thereafter.

I imply no inference to the senior Senator from Oregon in discussing this article although the story does make allusions to a statement by the Senator. I call attention to the article so that the RECORD will not imply an indictment of Washington's department stores, whose credit service charges are completely in line with the norms of revolving credit transactions.

I ask unanimous consent, Mr. President, that the story be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORSE AMENDS ATTACK ON STORE INTEREST RATES

Senator WAYNE MORSE, Democrat, of Oregon, has corrected his charge that an unnamed Washington department store collects 6 percent interest a month on unpaid accounts.

The figure, MORSE told his colleagues, was only 3 percent—or 36 percent a year. He said the mistake arose when he misunderstood his wife's complaints about a charge account she had just canceled.

As other Senators were talking about Gangster Joseph Valachi's loan-sharking activities in Cosa Nostra, Senator PAUL H. DOUGLAS, Democrat, of Illinois, put in a plug for his own "truth in lending" bill.

MORSE then told of his wife's experience with 6-percent interest rates. The next day he corrected the figure to 3 percent, and added that many stores had taken to charging only 1½ percent on the unpaid balance.

A check of Washington department stores yesterday turned up none that charged as much as 3 percent. Most charged 1½, and one charged a 3-percent service charge at the time of purchase—but no interest thereafter.

VETERANS DAY

Mr. SALTONSTALL. Mr. President, throughout the history of our Nation, each generation has been compelled to bear witness to its dedication to the ideals of freedom and peace. Whenever necessary, this commitment has been heroically defended on battlefields around the world. We can never repay our veterans for the hardships they endured and the sacrifices they made during these struggles. However, in recognition of this debt, and as a symbol of our heartfelt gratitude, we observe November 11 as Veterans Day.

Perhaps the most meaningful way in which we can honor these men and women is by reaffirming our dedication to the ideals for which they fought. By meeting firmly the challenge to access to Berlin or the attempts of Castro to spread communism within the Western Hemisphere we are demonstrating our determination to resist encroachments upon fundamental freedoms. By holding out hope and encouragement to those people who today are denied the freedom of choice and initiative which is rightly theirs, and by seeking to create the conditions by which they may join the community of independent, self-governing nations we work toward a fundamental principle of our way of life, that of justice for all.

We are aware that resisting aggression and containing the forces of aggression are not sufficient goals for which our Nation should strive. We know too well that in any future global conflict the only victors would be the forces of destruction and barbarism. We must, therefore, be prepared to take advantage of all opportunities to promote international understanding and cooperation. The constitution of UNESCO states:

Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed.

In resisting Communist harassment and subversion while pursuing the paths of peace, we will be paying the finest tribute possible to our veterans.

Thus, on November 11, as we visit the graves of our heroic veterans and salute those who fought in the forces of freedom, let us also reaffirm our dedication to the task at hand. We are challenged by necessity and by deep conviction to work tirelessly for a world order in which there will be no wars or threat of wars.

Veterans Day, then, is a day in which we remember with pride the courage, devotion, and sacrifice of those who have served our country in time of war. It is a day for us to be glad we are Americans and to proclaim our belief in the principles which have guided our Nation. It is a day, too, when we reaffirm our determination to continue the struggle to bring lasting peace to the world.

INVESTMENT FOR THE FUTURE

Mr. BARTLETT. Mr. President, what I consider to be a significant address was made on November 5 at Portland, Oreg., before the Inland Empire Waterways Association by the Honorable Elmer B. Staats, Deputy Director of the Bureau of the Budget. Mr. Staats' thoughtful words deserve the consideration of all Americans and I ask unanimous consent that the text of his speech be printed following my remarks.

I am particularly glad that Mr. Staats delivered this speech before the Inland Empire Waterways Association, which is a western organization devoted to and dedicated to the proper resource development of the great western section of the United States.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

AN INVESTMENT FOR THE FUTURE—RESOURCES DEVELOPMENT

Mr. Chairman, members of the Inland Empire Waterways Association, and guests; it is perhaps symbolic that your association was founded 30 years ago—in 1933—at a time when the Nation was going through the throes of a great economic depression. Our gross national product in 1933, measured in dollars of today's purchasing power, was \$150 billion. Now, 30 years later, it stands at a rate of 588 billion, an increase of 290 percent. Our labor force at that time had 25 percent unemployed. Today, while falling short of the national objective of full employment, the unemployment rate is still only about 5.5 percent.

This association has been a unifying force for the full development of the water and land resources of this area. At the time the association was founded, the population of the Northwest area—Washington, Oregon, Idaho, and Montana—was only 3,575,000. Today this population has grown to 6,214,000, while per capita income has risen from \$814 to \$2,370, again measured in dollars of today's purchasing power.

The growth of this area of the Nation did not come about from chance or accident; it has come about through private initiative, careful planning, and wise cooperation between government and nongovernment groups and among Federal and State and local agencies. This growth has come about because our people have had the vision to develop and to put into productive use the vast resources which nature has provided. But we cannot rest on our laurels.

FUTURE NEEDS

Those of you in business and industry know the importance of careful choices in investing funds and manpower. We in Government likewise must be concerned about making the right investment at the right time. To do this, other than very subjectively, we have to relate every decision we make to conditions which are likely to exist in the future.

In looking to the future, what strikes us most strongly is the population factor. In the short time between January 1961, when President Kennedy took office, and the end of fiscal year 1964, there will be some 10 million more people living in this country. That increase is equal to more than half the present population of Canada. If the estimates of the National Planning Association are right, by 1973 our population will exceed 225 million—nearly 40 million more than last year. It takes no great exercise of the imagination to realize that this increase will have a tremendous effect on our economy—on the consumption of resources, on transportation, on housing, on recreation, and on the labor force.

What kind of an economy will we have in 1973—just 10 years from now? Here again, the National Planning Association estimates a gross national product in excess of \$900 billion (in 1962 prices) which is \$350 billion above 1962 production. And that organization also estimates an average family income of \$9,300 compared to \$7,100 last year. Finally, it looks ahead to an employment level of 87 million persons—17 million more than in 1962.

This is a profile of a strong and progressive nation. But it all rests on a big assumption: that both our private and public decisions will be wise enough and farsighted enough to make all this potential a reality.

To get where we want to be in 1973, we will have to deal more effectively with problems that beset us today. This means coming to grips with the various factors that slow our progress: chronic recessions, unemployment, overcrowded schools and too few teachers, racial discrimination, obsolete plant and equipment, and insufficient demand to take up the slack in our existing productive potential. It means that we must accelerate our rate of economic growth, control inflation, and keep down prices and costs through continuing productivity improvements, strengthen our scientific research, carry on a strong effort to advance our technology and explore a wide range of sources of energy. In short, if we are to achieve our expectations in the 10 years ahead, we must accept a heavy agenda and commit ourselves to carrying it out.

THE ECONOMIC OUTLOOK

The President has set forth a comprehensive program for national economic growth. His tax program is expressly designed to deal with the chief factors that have adversely affected our economic performance in recent years. Why does he believe tax reform is so urgent? Even though in the third quarter of this year the gross national product rose to an alltime high of \$588 billion, and new records were set for both personal incomes and industrial production, there are disturbing indications that our economy is operating considerably below its potential. Even now, with 2½ years of continuous economic expansion behind us, the Nation is producing at a rate which is \$30 to \$35 billion a year below what it could be producing; the average operating rate in manufacturing is 87 percent of capacity which is considerably below the preferred rate; and more than 5½ percent of the labor force is unemployed. And private investment has fallen to an average rate of only 9 percent of GNP—well below its performance in the period of 1947-57. In recent years our idle industrial capacity has dampened domestic

investment incentives and encouraged the flow of American capital abroad, with resulting strains on our balance of payments.

If our economic performance is to improve as it must, there needs to be sufficient demand for goods and services to put our unemployed and idle industrial capacity to work. The President's tax reduction program is intended to furnish a major stimulus to consumer and business spending. The alternative—advocated by some—would be to stimulate the economy through sharply increased Federal expenditures—an alternative not acceptable to the President. We are still operating with a tax system which in most respects is the one we adopted to restrain excessive demand during wartime. The effect of the present tax system is such that the Federal budget would have shown a handsome string of surpluses rather than deficits since 1957, if the economy had been operating close to full employment. We have been witnessing a paradox—tax rates which were set high to absorb an excessive proportion of the gross national product at full employment levels now block the achievement of full employment and yield disappointingly low revenues.

There are many people who think it is wrong to cut taxes while the budget is still in deficit. I do not share this concern. Tax reduction should provide a general stimulus to our economy and, when production and earnings advance, so will Federal revenues. Within a few years total revenues under the new tax system should be even larger than those which have been produced under present rates. A more rapid economic advance—which a tax cut should assure—is the most direct route we can take to realizing balanced budgets. The longer we put it off, the longer we will have to live with the problems that are keeping a full employment economy out of reach. Our goals for 1973 may stand or fall on the decision we make in 1963.

THE FEDERAL ROLE IN NATURAL RESOURCES DEVELOPMENT

Economic growth involves still another aspect of public policy; namely, the constructive development of our natural resources—land, water, minerals, fuels, forage, timber, fish and wildlife—including their use for recreation which is a necessary part of our lives in an advanced society.

We have been fortunate in the abundance of natural resources available to us. But this gives us no grounds for complacency. Many of our resources are nonrenewable, and even those that are renewable will require wise management and long leadtime for their development. There is a consensus that our natural resources limitations should not hold back our economic growth if we recognize the need for technological change, substitution of abundant and cheap raw materials for scarce and expensive ones, investment in improved resource management and conservation, and some imports.

Let me cite a few examples of recent progress in natural resources conservation and development:

Overall, Federal expenditures for water resources and related developments—excluding operation and maintenance—more than doubled in the period 1956-64, while the budget as a whole was increasing by less than 50 percent and most of that increase was being limited to defense and space programs. Expenditures for these water resources programs are estimated to rise from \$1,346 million in 1962, to \$1,477 million in 1964. During this 3-year period, we have provided for 393 new project starts, including 182 watershed protection projects.

The saline water conversion program has gotten off the ground.

A new attack has been initiated on water pollution—a destructive and inexcusable form of waste.

We have established the open spaces program to help urban areas acquire space for recreation and other needs.

Legislation has been proposed to establish a Land and Water Conservation Fund to aid the States in overall outdoor recreation planning and in acquiring lands and developing necessary recreation facilities. The legislation also provides for financing acquisition of recreation lands suitable for addition to national parks and forests.

Three new national seashores have been authorized by Congress, and proposals for five others have been made.

The President has put forward a farsighted 10-year program in oceanography—in his own words, a plan "to seed and weed and harvest the oceans."

We have, within the past 10 days, proposed important new legislation dealing with cost allocation and cost sharing for recreation and fish and wildlife enhancement at water resources projects.

New coal research efforts have led to a coal-to-gasoline pilot plant to be located in West Virginia.

In short, we are investing more and more in our natural resources. In 1962, Federal expenditures on natural resources amounted to \$2.1 billion. In 1964—a tight budget year—expenditures are estimated at \$2.5 billion, and this budget will provide for 46 new starts on water resources projects, other than watershed projects, estimated to cost nearly \$1 billion.

I sometimes wonder what has happened to our perspectives and our sense of values when this kind of prudent public investment is condemned with such epithets as "pork barrel" and "boondoggle" and worse. I can think of even stronger objectives that could better be applied to a government which closed its eyes to the ravages of floods, to the drying up of our streams, to the deterioration of our rivers and harbors, to the stench of pollution, and to the denial of water and power and natural beauty to those who are prepared to pay for them and use them to move this Nation ahead.

We will not grow while we let our natural resources lie untapped, while we fail to bring them into the service of our society, while we glorify our great past and shut our eyes to our great future. There is no "fiscal responsibility" when we refuse to count as assets our dams, our harbors, our river channels, our reclaimed lands, and all the lives and property saved by flood protection. If we cannot tell the difference between waste and investment, we do not understand even the basic ABC's of economic growth—and I, for one, am not prepared to concede this.

The extent to which the budget can provide for investment in resources conservation and development depends, to be sure, on the President's judgments as to the priorities confronting us as a nation. This is where the budget process becomes an important tool for reviewing and evaluating the wide spectrum of programs and needs which constitute the business of the United States at home and abroad. The very difficult job of the President is to balance the needs and opportunities for natural resources development against such competing requirements as defense, space exploration, housing, health, education, and foreign aid, to name only a few. It becomes a question of stretching resources to cover our most critical needs, of deciding what must be done now and what must wait.

In the present budgetary climate, with the prospect of short-run revenue losses resulting from tax reduction needed to stimulate private demand and economic expansion, we must of course apply very critical criteria of need and immediacy to every program and every new proposal. We are now at work on the budget for fiscal year 1965, and our general guideline is the President's statement to Mr. Mills of the House Ways and

Means Committee that "Our long-range goal remains a balanced budget in a balanced full-employment economy. Tax reduction must * * * be accompanied by the exercise of even tighter rein on Federal expenditures which meet strict criteria of national need."

As one who has spent over 20 years in Federal budgeting, I am well aware that budget decisions are seldom easy; those facing us in the 1965 budget will be even more difficult and promise to remain so for at least the next year or two. I can assure you that to our best ability the 1965 budget will show continued forward progress in the important field of natural resources development. Even though we may not be able to go as far as we might prefer, it is not our intention to come to a standstill, much less fall behind.

PLANNING FOR WATER RESOURCES

In all our work in the field of water resources, planning is taking on more and more importance. There is nothing abstract about this at all. We know that we can make serious mistakes and misjudgments unless we relate what we do, not merely to current circumstances, but to conditions that are likely to exist 10, 20, or even 50 years from now. I can think of at least two major efforts that have been made in this field in recent years—the Cooke Commission Report in 1950, and the recent report by the Senate Select Committee on National Water Resources, chaired by the late Senator Kerr, of Oklahoma.

Population changes figure importantly in forward planning. Increasing urbanization and industrialization will also affect future demands for water. Another factor is the way we are presently organized in the Federal Government to deal with water resources. We have four major executive branch agencies and four legislative committees of the Congress concerned with construction. There are other agencies, such as the Public Health Service, whose missions affect, or are affected by, water resources development. In addition, the States enter the picture at many points and have an important role to perform. Altogether, the need for coordination and cooperative planning is very plain.

One of the major recommendations of the Senate committee was that comprehensive plans be prepared for the major river basins and that grants be made to the States to assist in their planning efforts. In 1961, therefore, the President recommended enactment of a Water Resources Planning Act which would have established river basin commissions patterned after the Texas and Southeastern river basin study commissions, to prepare comprehensive river basin plans for the development of water and related land resources. That bill had as its aims (1) coordination of Federal agencies through a Water Resources Council made up of the Secretaries of the four Federal departments with major responsibilities in the water resources field, (2) cooperative Federal-State planning through river basin commissions, and (3) grants to assist the States in water resources planning.

As many of you know, representatives of the States objected to certain features of the bill. Consequently, Senator ANDERSON introduced a revised bill in the present Congress. We believe that the Anderson bill, S. 1111, with some amendments, will provide a good basis for comprehensive planning.

Because of the urgent need for river basin plans to guide future investment, the Bureau of the Budget asked each of the Federal agencies to coordinate their water resources planning programs last year in connection with the 1964 budget. They have continued to work together and are now reviewing their plans for fiscal 1965 and future years. This has been a useful effort: planning concepts have been clarified; priorities of studies are being identified; and gaps and overlaps are being reduced. All this effort, I believe, will

prove very helpful to river basin commissions when they are established.

I believe that in years to come we will look back to the Senate Select Committee report as a major turning point in focusing the Nation's attention on our water resource problems and in charting a course for the future. Its emphasis on comprehensive planning is a major contribution. Its thorough spelling out of water resource problems throughout the country served to make it clear that the problem is not a sectional one but a national one. Its forecast as to the steep upward curve of water consumption brought home forcibly the urgency of timely and forthright measures to conserve and develop our water resources. And it made it plain that the job cannot be done without spending some money, and in the form of prudent public investment. Overall, it demonstrated that to do the job that must be done, it will take the collective efforts of Federal and State governments and private groups.

Let me stress the importance of this point. The task of conserving and developing the Nation's resources is tremendous. Whether it is the production of power, the management of forests and rangelands, the development of water resources, or the conservation of helium, there is enough for all of us to do—Federal, State, local and private organizations—if we are serious about it. Each group can accomplish certain tasks better than others. What we need to do is to get together.

ECONOMIC JUSTIFICATION

The method by which projects are evaluated is difficult and controversial, but inevitably there must be certain common practices. It is basic to a program of water resources development that we have workable standards and criteria against which to formulate and evaluate projects. A project must be designed and reviewed in both engineering and economic terms.

Common standards would be important to decisionmaking even if only one agency were engaged in water resources development, but it is even more essential when several agencies are in the field. Inconsistent evaluation standards were criticized by the Cooke commission in 1950. Out of this came the Bureau of the Budget's celebrated circular A-47—regarded in some quarters as an overly restrictive policy and by others as a step toward rational decisionmaking. As time went on, however, A-47 became less suited to the purposes which it tried to serve. But the need for common standards had been established.

Last year the President approved a new set of policies, standards and procedures for formulating and evaluating projects. This document reflects the views of the present administration and takes into account advances in policy and practice in the water resources field since 1952. One important change was to raise the limit on the period of economic analysis of a project from 50 to 100 years. Another change provides that joint costs of a project such as a dam may now be allocated to recreation whereas previously only the specific costs of recreation facilities could be so treated.

We are not yet out of the woods on standards and procedures, however. Efforts are now going on to develop a more precise means of evaluating the benefits of recreation, including hunting and fishing. In addition, the concept of the least costly alternative means of providing recreation, which limits the cost allocation to recreation, is being studied. More work must also be done on cost allocation methods.

On the whole, therefore, I think we have come a long way in improving our standards and procedures. The better these are, the less likelihood there will be of irresponsible charges of "pork barrel" methods. Good standards for basing decisions on project

authorization and construction starts is the first step in building public confidence and support for water resources development. From this basic framework we can go on to make the test of relative priority in the setting of the annual budget.

With respect to problems of reimbursement and cost sharing between the Federal Government and non-Federal bodies, the President has directed a study to be made by the Secretary of the Interior, working closely with the Secretaries of Agriculture, Army, and Health, Education, and Welfare. These problems are anything but simple. This past week the Bureau of the Budget, in behalf of the executive branch, sent to the Congress a draft bill to establish cost sharing and reimbursement policy for recreation and fish and wildlife enhancement in connection with water resource projects. This bill would not require non-Federal sharing of these costs at every project, but only where such costs are relatively substantial—most of the costs would be borne by the Federal Government.

CONCLUSION

As we take inventory, we cannot fail to recognize the progress we have made. Our goals are clearer. The task is better understood as one of national dimensions. The President has made plain the relevancy of water resources development to our paramount objective of economic growth and full employment. The investment character of public expenditures for resource development is seen more clearly than in the past. Comprehensive planning has advanced from the stage of an idea and is rapidly becoming a reality.

It has been a time of progress, of gains that we can measure. But for all of us, much remains to be done.

A SURPLUS PROBLEM IN NUCLEAR BOMBS

Mr. McGOVERN. Mr. President, the distinguished columnist, Mr. Marquis Childs, has written an important article which appears in today's Washington Post.

Mr. Childs asks the question which is causing growing concern among a number of us in the Congress and throughout the country: "How much nuclear killer capacity is enough?"

Mr. Childs calls attention to the related problems of what we do with the personnel employed at our nuclear weapons plants when shifts in our defense requirements occur.

I ask unanimous consent that the column by Mr. Childs be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

A SURPLUS PROBLEM IN NUCLEAR BOMBS

(By Marquis Childs)

How much nuclear killer capacity is enough? In shaping the new defense budget this is a deeply puzzling question Secretary of Defense McNamara will in the end have to put up to President Kennedy.

A big industrial development with payrolls in a half-dozen States depends on continuing to produce fissionable material for nuclear weapons. Yet, as it is often put, we've got the stuff running out of our ears.

Secretary McNamara would like to cut back production. The Atomic Energy Commission is agreeable to some cutbacks. But the decision is complicated by a proposal bound to generate pressure as the results of a cut are seen in a loss of jobs, the mothballing of plants and the dispersion of highly skilled technical staffs.

The proposal originating with Senator CLINTON ANDERSON, Democrat, of New Mexico, chairman of the Joint Congressional Atomic Committee, is to stockpile plutonium. The raw material, uranium, would be mined, processed at great cost and put back in the earth.

On the face of it, with a present capacity to destroy every target area in the Soviet Union several times over as the President has stated at least twice, this would seem to be a lunatic form of makework. But the astute ANDERSON makes a case for the stockpile.

It is true, he says, that there is a large oversupply. In the U.S. arsenal are many old-fashioned nuclear bombs so big that they would not be dropped under any circumstances. If these were remade and the fissionable material put into up-to-date weapons we would have at least a 10-year supply.

But the big surplus is in "yellow cake"—uranium oxide being processed from uranium by mills such as those of the Kerr-McGee Co. under long-term contracts. What ANDERSON contemplates is a cutback in the mills, leaving a few large, efficient plants like that of Kerr-McGee to go on turning out "yellow cake." This, together with the huge current surplus, would be processed into plutonium that keeps indefinitely.

"We might," as one expert put it, "want to take a look at it after a thousand years."

Plutonium in the stockpile could be made up very quickly into bombs and warheads, ANDERSON points out. It would also be available for peacetime use in power reactors if and when nuclear power production comes to be more nearly competitive with other power sources.

That would mean maintaining Oak Ridge in Tennessee, Savannah River in South Carolina, and Hanford in the State of Washington in operation in part if not in entirety. Hanford has a payroll of 8,000 and while this is small as compared to Boeing it is important to Washington.

The scale of the overkill in America's nuclear arsenal produces highly technical and violently emotional arguments. In his courageous speech last August calling for substantial cuts in arms spending Senator GEORGE MCGOVERN, Democrat, of South Dakota, was content to use the phrase "several times over." But along with other Members of Congress he had heard the presentation of Prof. Seymour Melman, of Columbia University, who contends that overkill is 1,200 times what is necessary to destroy all Communist target areas.

The Pentagon says that such far-out figures are based on the impossible assumption that every single nuclear weapon would be used. They ignore the destruction of a part of the arsenal in a Soviet first strike. And they also overlook the fact of a wide disparity of weapons, including tactical battlefield weapons, not all of which would be zeroed in on the major target.

But certain Pentagon officials are deeply concerned with a stockpile so overflowing that storage has become a major problem. An indication of this was the deliberate leak last summer that Defense would like to cut back its weapons requirements with the Atomic Energy Commission by a billion dollars.

During the fiercely fought controversy over the nomination of former AEC Chairman Lewis Strauss to be Secretary of Commerce, charges were put in the record showing the interlocking relationship of powerful financial interests, including Kuhn-Loeb and the Rockefellers, in uranium. The late Senator Robert Kerr, Democrat, of Oklahoma, through Kerr-McGee, was a major figure in this gold rush. It was part of the complex that brought abundance with the inevitable growth of deeply vested interests.

There is no doubt that the stockpile of plutonium is a major problem for the future. It is a problem that will be with us for a long time to come.

VETERANS DAY

Mr. WILLIAMS of New Jersey. Mr. President, in gratitude and appreciation for the service brave men—both past and present—have rendered us, our people have set aside November 11 of each year for the observance of Veterans Day. Nothing could be more warranted nor well deserved.

Since the birth of this Nation—a nation dedicated to freedom—it has been necessary for men to bear arms to perpetuate and preserve our way of life. This is the price we have had to pay for liberty in a world reluctant to let it flower.

In less than 200 years, the people of this land have built America into a great country—a country built upon the foundation of democracy. We owe this opportunity for growth to our veterans, who have been willing to give their lives so that we might remain free to build a strong nation.

A day of tribute is small payment to the thousands who have died, the thousands who have been maimed and handicapped, the millions who have returned to civilian life determined to build a better world for their children—and our children—and to our young men still giving this country a part of their lives, away from home and loved ones, to protect our hard-earned freedoms.

"Thank you" is a small phrase. Yet, behind it is the love of a nation. It is not the hollow phrase sometimes extended to strangers; rather, it carries the sincerity and warmth of appreciation we would extend to a close friend, a brother, father, or a son. The security of our country—our homes—personally affects all of us. Our "thank you" has real meaning.

But we are in the debt of our veterans for more than their valor during wartime. We are grateful for their participation in peacetime as well. Because they have experienced the horror of war, because they have seen the starkness of tyranny, they have returned to civilian life determined to build a better world.

They have returned to us with a strong sense of citizenship, with the realization that foreign affairs affect us as vitally as domestic affairs, and with the realization that a government "of the people" must be participated in by the people.

Through veterans' organizations, they have been active in civic affairs, and have worked to improve their communities. They have worked with our youth to build a sense of patriotism and love of country. They have been active in political life on both the State and National level.

Of our present Members of Congress, 362 are veterans. Our last three Presidents have been veterans.

There are 22,133,000 veterans in our population today. In a very real sense, our country's veterans have earned the reputation of being "the foundation stone of Americanism." This does not mean they are rabid adherents to the extreme right, but rather that our veterans have been diligent in the performance of intelligent patriotism tempered with a

strong sense of the real world we live in. They have rolled up their shirt sleeves and helped democracy work.

They have given a great deal, but, like anything of value, peace and freedom are expensive items on the world market. Our veterans have made the downpayment. It is up to all Americans to actively join them in their efforts to improve our country, to maintain our freedoms, and to achieve world peace.

By working to become better and more enlightened citizens, we will be paying back our debt the way, I am sure, our veterans would like it paid.

PERIODIC CONGRESSIONAL REVIEW OF FEDERAL GRANTS-IN-AID

Mr. MUSKIE. Mr. President, on September 4, 30 Senators joined with me to introduce S. 2114, a bill to provide for periodic congressional review of future Federal grants-in-aid to States and to local units of government. In my remarks accompanying the introduction of this measure and in a subsequent address on October 31, I explained some of the more general reasons for my advocacy of this bill.

Additional arguments in support of S. 2114—especially as they relate to the fiscal aspects of grants-in-aid—are found in a draft report on "The Role of Equalization in Federal Grants-in-Aid" which was recently considered by the Advisory Commission on Intergovernmental Relations, and in a study entitled "The Federal System as Seen by State and Local Officials: Results of a Questionnaire Dealing with Intergovernmental Relations," which is being prepared by the staff of the Subcommittee on Intergovernmental Relations. Those two studies indicate some of the difficulties we will experience with respect to future grant programs. Most of the existing programs have two distinct, but coordinate, provisions which determine each State's share of Federal grant money. The allocation provision, or apportionment formula, relates to the manner in which the Federal appropriations for a particular program are apportioned among the recipient governments, provided the grant conditions are met. The matching provision pertains to the funds required to be raised by the States and sometimes by the local governments as their share of the aided program's cost. The operation of both provisions within existing grants-in-aid suggests that there are a number of fiscal problems with which congressional committees must periodically come to grips.

The question of whether an equalization factor should be included in these provisions also highlights the need for more careful congressional scrutiny. Since World War II, Congress has paid increasing attention to the question of whether the distribution of Federal grants should take into account differences in the capacities of the States to finance aided programs from their own resources. It is unlikely that the future will reverse this trend. The effort to

give recognition to this factor has usually taken the form of attempting to compensate for the imbalance between the several States' differing program needs and their relative financial abilities to support these functions at certain desired levels. The decision to implement or not to implement this goal has significantly affected both the apportionment and matching provisions of most grants-in-aid. Congressional reassessment of future grants-in-aid, as provided in S. 2114, must take into consideration the fiscal and policy questions raised by the formulas under which these programs are financed.

Of these three problem areas, the allocation provision raises some of the more subtle challenges to test the wisdom of Congress. If the present is any guide for the future, the distribution of Federal funds for some programs will continue to be basically on an equal-share basis to each State, since 10 existing grants still employ a modified version of this formula with little recognition of differences in the size of the States or other indicators of differences in need. When Federal grant programs do provide for the allotment of varying amounts of funds to each State on the basis of some indicated need criterion, various and sometimes confusing indexes are employed to establish the formula. Frequently, a program's needs are gaged by the population of the States, the population in totals, a relevant population group, or some other service unit criterion as an index for determining the allocation of grant funds. In some cases the components of program costs are used as indicators of need. Of the 16 grant programs which at present use a financial need factor in the formula, 15 use per capita personal income as an index of the relative State fiscal capacity and the State-by-State distribution of funds is weighted accordingly, so as to offer more Federal funds to the poorer States.

To make matters more difficult, and again using the present as a basis for future predictions, only two-thirds of present Federal grant programs distributed their funds in fiscal 1962 on the basis of only one allocation method. Fifteen grant programs employed two basic grant formulas; two used three methods; and three distributed their funds on the basis of four methods. In many instances these varying formulas are necessary. At the same time, they provide many a headache for State and local officials attempting to participate in these programs. Witness the following observation of a State official to the Subcommittee on Intergovernmental Relations' question on this topic:

The funds made available to [this department] . . . have such complicated formulas, matching requirements, and reporting of expenditures that it is difficult for the budget analyst, the Governor and the legislature to understand the financing of these formulas. The program has not been dealt with in a satisfactory manner, and the budget office continually feels that it is at the mercy of the agency involved in the interpretation of these formulas and requirements.

While many Federal grants have explicit statutory provisions spelling out in detail how the funds are to be allotted to the State and local governments, some still permit a portion or all of the funds to be disbursed at the discretion of the program Administrator. In practice, such discretionary authority has commonly been incorporated into administrative regulations which specify the formula for distributing the grant funds. Yet at present, a portion or all of the funds in eight grant programs are not distributed in accordance with a published allocation method. In discharging its mandate to periodically examine and reassess these programs, then, Congress should take a closer look at these apportionment provisions and attempt to make the excessively rigid, more flexible; the needlessly intricate, more simple; the broadly discretionary, more specific; and the indices of need, less susceptible to misinterpretation and suspicion.

The matching requirement provision—or the lack thereof—in the existing grants raises almost as many questions as the allocation formulas. In itself, the fact that 13 aided programs do not require any State or local matching constitutes a fundamental reason for periodic reassessment of these programs by the pertinent legislative committees. In addition, among the grants-in-aid that do require State and local governments to share in program cost, we find that the dual method of determining cost share and requirements provides another subject for periodic congressional inquiry. Under existing arrangements there may be variable matching, whereby the proportion of total program cost borne by the State is determined on the basis of an index employed to measure relative State fiscal capacity, thus implementing the equalization objective. Alternatively, there may be a fixed ratio-matching formula whereby the State and/or local government is required to share at the same proportion of program cost. The latter technique is employed at present in most Federal grant programs. For many, the fixed Federal share is 50 percent and for a few programs it is set at two-thirds, occasionally at three-fourths, and even at 90 percent of cost. Over 70 percent of the funds allocated in fiscal 1962 for Federal grants-in-aid were governed by a fixed ratio-matching formula.

Variable matching requirements are found exclusively in only seven grant programs at present, and partially in five. While constituting a form of equalization in that they recognize the varying abilities of the States and local governments to support these aided functions, the funds distributed on a variable matching formula basis accounted for only 17 percent of the more than \$7 billion that was spent for grant programs during the fiscal year 1962.

There is evidence that the present grant formulas do not properly represent differences in the current national interest in the different programs, and understandably so. The programs were

enacted at different times within a different climate of opinion, without in each instance due regard being given for the grant provisions of other, existing programs. Those State and local officials responding to the subcommittee questionnaire strongly favored congressional legislation which would make these formulas somewhat more uniform and standardize definitions used therein. In light of these varying requirements, and this reaction from questionnaire respondents, Congress must probe more deeply into the entire question of matching provisions. Are the interests of the more well-to-do States protected when more than 12 percent of the funds allocated in 1962 were disbursed under grant programs with no matching requirements? Is equity achieved when more than 70 percent of these funds were distributed under a formula which provided for fixed ratio matching? These are questions of equal justice; they are questions of national policy. They are premised upon existing facts, but they will be with us in the future. Periodic review of future grants-in-aid could not ignore these issues, and the enactment of S. 2114 would help to guarantee their careful consideration.

Many of the difficulties that I have discussed in connection with apportionment and matching formulas relate to the broader problem of equalization. In some instances, this factor has been incorporated into programs that do not require it; in others, it has been inserted in a way that fails to accomplish the objectives of Congress. In still other programs, it has been ignored where changing conditions indicate a pressing need for its recognition. Of the Federal grants-in-aid now on the books, only about a third contain what might be termed explicit fiscal equalization provisions. This means that the distribution of the moneys or the proportion of Federal-State sharing of program cost in these programs is governed in some measure by a recognition of the differences among the States' relative abilities to support the aided activities.

Detailed statistical analysis of these programs by the Advisory Commission on Intergovernmental Relations and others indicates that, though these programs are presumably geared to giving greater recognition to the difficulties that less well-to-do States have in financing them, these States have not always profited under them to the extent that some imagine. To put it more bluntly, Congress intent here with respect to ironing out some of the inequalities in the program levels among the States has not always been fully realized. On the other hand, with respect to certain other grants, there is strong evidence that the equalization factor should not always be extended to programs of a basically planning, demonstration, stimulation, or emergency nature. This differentiation is not always made at present, and future congressional reassessment of Federal grant-in-aid programs should carefully weigh the arguments developed by the Advisory Commission on this subject.

Congress in recent years has increasingly turned to categorical grant programs as a way of national participation in the provision of vital public services. The greater the number of the segments of public services which are aided through these categorical aids, the more urgent becomes the coordination of the grant programs and of assuring through periodic review that the provisions are in harmony with one another and that the objectives of the Congress in providing Federal aid are carried out in a consistent way from category to category.

Where equalization is appropriate, however, greater consideration should be given to more detailed analysis of the various indexes of program need and of the States' relative ability to support grant programs. Per capita personal income, for example, has some limitations as an accurate index of the relative capability of State and local governments to raise revenues. This and other indicators which have been used to implement the equalization ideal should be carefully reexamined by the Congress—not with the view that perfect justice or complete uniformity can be attained, but in full recognition of the fact that the present inequities and existing lack of meaningful standards need correction. We must not permit future grants to be so characterized.

Mr. President, these are but a few of the fiscal problems that confront us in this area of Federal governmental activity which accounts for more than \$10 billion in this fiscal year, which includes at least 60 programs, and which gives every sign of expansion as we move into the final third of this century. Consistency, uniformity, and equity—these should be our immediate goals in this difficult area of congressional oversight. Enactment of S. 2114 would go far toward achieving these objectives. In attempting to determine whether future grant programs will be modified, redirected, terminated, or continued, congressional committees under this legislation, of necessity, would have to cope with some of these fiscal problems. All of us then would be compelled to focus our attention more regularly on the many dollars-and-cents difficulties that have arisen as a consequence of the sporadic and undirected development of these grant programs.

If we continue to ignore the trouble spots that have emerged in this field, the enemies of the grant-in-aid device will increase in number; their arguments will become more forceful; and the cooperative Federal ideal will be seriously impaired. I agree with those scholars who claim that this very practical device has been one of the major forces preserving our traditional system of American federalism. If we accept the proposition that this is 1 nation composed of 50 States—not 50 States joined in loose confederation or a single State subdivided into 50 administrative units—then the grant-in-aid must be strengthened.

Others may help us. The executive agencies can advise and conduct their own reassessment of grants-in-aid. The States and local governments can recom-

mend improvements in various programs. In the final analysis, however, Congress alone has the task of legislative oversight and the power of the purse. We alone possess the proper instrumentalities, the authority, and, what is even more important, the requisite attitude—since we represent the States and local districts, but serve as U.S. Senators and Representatives. Enactment of this legislation would be a significant and highly desirable step toward strengthening both the Congress and the Federal system and toward reasserting our traditional role of umpire among the 50 States.

In conclusion, Mr. President, I want to take this opportunity to announce that hearings on S. 2114 will begin on December 3 at 10 a.m. Any Senator or other person wishing to testify at the hearing should notify the subcommittee, room 357, Senate Office Building, extension 4718, in order that he might be scheduled as a witness.

TRANSPORTATION ON THE GREAT LAKES-ST. LAWRENCE SEAWAY

Mr. HART. Mr. President, the Legislature of the State of Michigan recently adopted a resolution memorializing the Congress concerning the St. Lawrence Seaway.

The Senators from the Great Lakes States this past summer have organized a conference of Great Lakes Senators to review the problem arising from the very type of concern expressed by the State legislature in their October resolution.

Yesterday, Mr. President, the chairman of the Senate Committee on Commerce announced the formation of a Special Subcommittee To Study Transportation on the Great Lakes-St. Lawrence Seaway.

The chairman acted, after a number of us on the Committee on Commerce had called to his attention the concern we feel for the investigation of the development and progress of transportation and shipping in the Great Lakes and St. Lawrence Seaway region. It is my hope that in the weeks immediately ahead, this subcommittee will come to Michigan, and hold hearings in our port cities. For Michigan has been long a proponent of the seaway and I am confident hearings from witnesses in our State will produce testimony of significant value to the Committee on Commerce.

In addition, Mr. President, I would call to the attention of the Senate the action of six of the Senators representing areas in the upper Great Lakes region that has some bearing on this same problem.

A few days ago, I joined with my five colleagues in urging the President to form an Upper Great Lakes Commission for Great Lakes Economic Development. The text of our proposal is contained in a letter to the President.

I ask unanimous consent that this letter and statement by the six Senators, together with the announcement from the Senate Committee on Commerce and the resolution of the Michigan State Legislature be reprinted in the RECORD at this point in my remarks.

There being no objection, the letter, statement, announcement, and resolution were ordered to be printed in the RECORD, as follows:

SENATORS PROPOSE REGIONAL COMMISSION FOR GREAT LAKES ECONOMIC DEVELOPMENT

Six U.S. Senators have urged President Kennedy to create a Federal-State regional commission to coordinate and implement economic development in the northern areas of Michigan, Wisconsin, and Minnesota.

In a letter to the President, the Senators asked him to initiate such a program by calling a White House meeting of Cabinet members and agency heads administering economic development programs, together with the Governors and the Senators from the three States.

Senators making the proposal were HUBERT H. HUMPHREY and EUGENE J. MCCARTHY, Democrats of Minnesota; PAT McNAMARA and PHILIP A. HART, Democrats of Michigan, and WILLIAM PROXMIER and GAYLORD NELSON, Democrats, of Wisconsin.

The Senators noted that the northern areas of their States have suffered persistent and substantial unemployment, with the jobless rate usually about twice the national average.

"This situation has continued despite valiant efforts by the Federal Government, State agencies and local communities," the Senators said in a statement.

"We have suggested to the President that we believe these efforts could be strengthened and improved through better coordination and cooperation.

"Since the northern areas of our States have much in common in the way of economic and physical characteristics, our proposal calls for attacking the problems on a regional basis.

"We are not interested in just another study of the problems. What we want, and what we think the regional approach will provide, is the development of a comprehensive action plan for the entire region."

The Senators praised the President and his administration for the assistance already given such economically distressed areas and his willingness to devote continued attention to them.

"President Kennedy long ago recognized that there is a national responsibility in helping these areas join in, and contribute to, national prosperity," the Senators said.

"The Federal Government has made a significant contribution through enactment of such programs as the Area Redevelopment Administration, accelerated public works, manpower retraining, and rural areas development.

"Further, the States through their development agencies, and local communities and private organizations have devoted great effort to these problems.

"Coordination on a regionwide basis, leading to an action plan that can be implemented by all, can produce the kind of lasting results that these areas need."

OCTOBER 24, 1963.
The Honorable JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Last month, in your address to the Northern Great Lakes Land and People Conference in Duluth, Minn., you called public attention to the very severe economic hardships which that area of our Nation has endured for so long. In your remarks, you made this very telling point:

"This northern Great Lakes region has land, water, manpower, resources, transportation and recreation facilities. It also has distress."

As Senators representing the people of this region, we know only too well the extent of this distress. The substantial and persistent

unemployment in the area has been a terrible personal burden for thousands of families as well as a tremendous waste of human resources and an unnecessary restraint to the achievement of a strong and growing national economy.

Under your administration, a number of programs have been enacted which have, to some extent, alleviated the distress of the northern Great Lakes region. We refer, of course, to such programs as the Area Redevelopment Administration, accelerated public works, retraining, rural areas development, and defense contract set-asides. Helpful as the programs have been, there nevertheless remains much that can be done through greater coordination of efforts by the local, State, and National Governments. In your Duluth address, you emphasized the national responsibility and expressed the hope that the "attention of all will be devoted to these areas until this problem is solved."

It is in this spirit that we believe the cooperative State-Federal efforts in behalf of the northern Great Lakes region could be materially strengthened and improved. As a first step, we would respectfully suggest that you call a meeting of members of your Cabinet and the heads of independent agencies administering economic development programs, together with the Governors of Minnesota, Wisconsin, and Michigan, and ourselves to discuss a comprehensive program of attack on the economic distress of the northern areas of these States. Such a program would include better coordination of existing efforts, pending legislative proposals and State development activities.

It would be our hope that this discussion could lead to the formation of a Northern Great Lakes Regional Commission, similar perhaps to that already established for the Appalachian region. We have every reason to believe, furthermore, that the governments of our States would cooperate to the fullest extent in such an undertaking.

With the demonstrated interest of your high office, the experience of the Federal agencies and the cooperation of State and local bodies, we are confident that a regional commission could implement a comprehensive action program that would effectively strengthen and enhance the economic development of the northern Great Lakes area.

Your consideration of these suggestions would be most appreciated.

Sincerely,

WILLIAM PROXMIER.
EUGENE J. MCCARTHY.
HUBERT H. HUMPHREY.
PHILIP A. HART.
PAT McNAMARA.
GAYLORD NELSON.

FROM THE SENATE COMMITTEE ON COMMERCE

A Special Subcommittee To Study Transportation on the Great Lakes-St. Lawrence Seaway has been appointed by Chairman WARREN G. MAGNUSON, Democrat, of Washington, of the Senate Committee on Commerce, it was announced today.

Named chairman of the special subcommittee is Senator FRANK J. LAUSCHE, Democrat, of Ohio. Serving with him will be Senators VANCE HARTKE, Democrat, of Indiana, PHILIP A. HART, Democrat, of Michigan, WINSTON L. PROUTY, Republican, of Vermont, and J. GLENN BEALL, Republican, of Maryland.

MAGNUSON said the special subcommittee will study the development, progress and needs of the Great Lakes-St. Lawrence Seaway.

"This great seaway is, in effect, our fourth coastline, along with the Pacific, Atlantic, and gulf coasts," the chairman added.

The seaway, a joint United States-Canadian venture, involves an investment of \$130 million by the United States in its navigation features alone. This cost is to be repaid by tolls on freight tonnage. Opened

to oceangoing vessels in 1959, the waterway provides direct access to the ocean for the previously landlocked Great Lakes region. Total tonnage carried on the seaway in 1962 was 25.6 million tons; its 1965 potential has been estimated at 66.2 million tons.

HOUSE CONCURRENT RESOLUTION 5

Concurrent resolution memorializing the U.S. Congress concerning the St. Lawrence Seaway

Whereas the St. Lawrence Seaway was created at a cost of over \$471 million to foster trade and commerce by ocean vessels between Great Lakes ports and the markets of the world through direct, economical, ocean shipping routes; and

Whereas it was fully anticipated that the heartland of America would share in the great expansion that would accompany the development and opening of the seaway with its consequent stimulus upon the economic growth of the whole Midwest; and

Whereas Great Lakes ports, with their industrial genius and capability for production with modern machinery, had a right to expect that the seaway would result in the employment of thousands of additional workers and the expenditure of millions of dollars in plant expansion, if allowed to operate under normal competition conditions; and

Whereas after only 4 short years it is now becoming increasingly evident that Great Lakes ports are not receiving their fair share of foreign trade and commerce in spite of strenuous efforts to encourage maximum use of the seaway, and that Great Lakes ports are being circumvented from securing such benefits—by limitations and practices which are allowed to be imposed upon foreign commerce from such ports which militate against full utilization and the realization of the benefits of the seaway; and

Whereas inquiry discloses that some of such practices and limitations are as follows:

(a) Shipping rates for commodities in foreign commerce from Great Lakes ports are set by the Atlantic coast conference of east coast ship operators, and permitted by the Maritime Commission, which sharply increase the cost of ocean freight upon cargoes originating at Great Lakes ports destined for world markets, when compared with east coast ports upon the same commodity, resulting in the inability of Great Lakes industry and agriculture to compete with such east coast ports.

(b) American-flag ships have not been made available at Great Lakes ports except upon limited and rare occasions, but have insisted that they were relieved of this responsibility of providing ships at ports nearest to the source of shipping commodities by permission of certain Federal agencies under a misinterpretation and a misapplication of the so-called 50-50 law (Public Law 664, 83d Cong., 2d sess., ch. 936, 46 U.S.C. 1241), which enables such ships, located at east coast ports, to take unfair advantage of the provision that they shall have 50 percent of such tonnage "to the extent such vessels are available at fair and reasonable rates * * * by geographical area." Such vessels with the support of certain Federal agencies are allowed to bracket the Atlantic coast ports with Great Lakes ports and call it the same "geographical area," just as was done before the seaway was constructed, so that such ship operators could contend that such ships are "available" at Great Lakes ports, when they are no nearer such ports than the Atlantic coast. Such vessels thereon insist that they need not actually come into Great Lakes ports and lift cargoes in foreign commerce, but that such commodities must be transported overland from Great Lakes ports to such ships at east coast ports, thus resulting in huge

additional and unnecessary transportation costs, as well as the loss of foreign trade from Great Lakes ports, thus stifling competitive bidding by Great Lakes industries and agriculture for foreign business, and particularly at a time when the Common Market is bidding for world trade; and

Whereas if such a situation is allowed to continue, it will have a disastrous effect upon the economic growth and vitality of Great Lakes major industries, including automobile and general manufacturing, and related commodities, farm products, and labor, and at the same time defense business will be still further diminished: Now, therefore be it

Resolved by the house of representatives (the senate concurring), That a thorough study and survey of this entire situation with respect to foreign commerce and ocean freight from the ports of Michigan should be undertaken forthwith to determine the complete facts with reference to the competitive position of Michigan industry, agriculture, labor, and all other interests that may be affected by the stifling of the advantages of the St. Lawrence Seaway as it affects Great Lakes ports; and be it further

Resolved, That such study and survey should be undertaken by the Economic Welfare Committee of the U.S. House of Representatives prior to the opening of the 196th shipping season so that shipping rates as well as the frequency of service by vessels shall be determined and any discriminatory practices may be pointed out for speedy legislation or administrative correction; and be it further

Resolved, That the proper interpretation and application of the so-called 50-50 law may be brought about so that the Great Lakes geographical area shall be no longer bracketed with the Atlantic coast area, nor shall vessels on the Atlantic coast be considered "available" when they are not physically available and are not willing to serve the ports of the Great Lakes themselves; and be it further

Resolved, That shipping rates shall likewise be studied and a survey made of the same to cause the Federal Maritime Commission to require strict adherence to a reasonable and competitive rate structure for all concerned, and that provision be made for a reasonable rate structure in the future; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to Senator McNamara and Senator Hart, and to each Michigan Congressman and Senators and Representatives of the States bordering on the Great Lakes, to the Secretary of Commerce, and to the Federal Maritime Commission, as well as to the Governors and to the senate and house of representatives of each of the States bordering on the Great Lakes.

Adopted by the house October 9, 1963.

Adopted by the senate October 23, 1963.

NORMAN E. PHILLIPS,

Clerk of the House of Representatives.

BERYL I. KENTON,

Secretary of the Senate.

VETERANS DAY

Mr. KEATING. Mr. President, on Monday, as Veterans Day is observed throughout the country, Americans pause to honor American service veterans of all wars. On this day we recall the valor and sacrifices of the past when the liberty of our country was at stake. It is fitting that this day has been set aside so that Americans can pay tribute to those who have done so much to preserve the way of life we cherish.

On Veterans Day we pay respect to those men who survived America's wars,

and especially to the nearly 1 million men who made the supreme sacrifice in the name of America and freedom. Those courageous men and women are with us in spirit and it is their memory that inspires all of us to rededicate ourselves to the cause of human freedom throughout the world.

Mr. President, within the memory of living American war veterans are the fierce battles of San Juan, Santiago, Chateau Thierry, the Meuse, Argonne, Guadalcanal, the Battle of the Bulge, Okinawa, Korea. These names, although causing us to recall the terror and callousness of war, remind us of the valor and courage with which our men fought to defend the liberties of our free society—liberties which we Americans highly treasure and will always defend.

As we consider the contributions and sacrifices of our veterans, we are reminded of the vast amount of legislation we now have affecting veterans and their families. For America has quite properly expressed its gratitude to its veterans through various forms of compensatory legislation. It is only fitting that on this occasion we in the Senate give renewed consideration to the establishment of a Committee on Veterans' Affairs. Unless we have such a committee, we cannot be fully responsive to the need for legislation or the desirability of correcting existing law. The heavy burdens of the Finance Committee and of the Committee on Labor and Public Welfare leave insufficient time for either members or staff to consider the specialized and complex legislation affecting veterans. The eventual loser is of course the public and the veterans, who especially deserve the expertise of a staff familiar with veterans affairs.

In 1959, a special subcommittee to the Committee on Rules and Administration of which I was a member, after hearings and thorough consideration, recommended the creation of a Committee on Veterans' Affairs. Such a committee has the support of over 40 Members of the Senate and still no action has been taken.

After the bugles have blown on Monday, and we have celebrated Veterans Day, we should move to establish a Committee on Veterans' Affairs in the Senate.

Mr. President, I know I reflect the sentiment of all Americans in saluting and extending my highest praise to America's war veterans for their valiant efforts in defending and preserving freedom for America.

THE PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

THERE WILL BE NO CIVIL RIGHTS OR TAXATION LEGISLATION THIS SESSION—LET US WORK OUT A GOOD FOREIGN AID BILL

MR. GRUENING. Mr. President, I wish to commend most highly the able and distinguished junior Senator from

Arkansas [Mr. FULBRIGHT], the experienced chairman of the Senate Committee on Foreign Relations, for the consummate skill with which he has been performing the arduous task of guiding the complicated foreign assistance authorization bill through this Chamber.

My commendation of the Senator from Arkansas is even the greater because he has come to the floor of the Senate with a report, unanimously approved by his committee, pointing to the many shortcomings in the foreign assistance program, and noting that the committee had given serious consideration to discontinuing our foreign aid program and requiring the administration to come before the Congress with an entirely new approach to this problem for fiscal year 1965. That attitude did not prevail and the bill before us continues the same old approach to foreign aid.

Why delay the change?

A realistic appraisal of the parliamentary situation both in the Senate and in the other body will readily reveal that we have plenty of time to do what I have been urging; namely, that we take the time to review, country by country, our foreign assistance program to determine what countries are deserving of receiving our aid and which are not; which countries actually need our aid and which do not; which countries are making a serious and realistic effort to help themselves and which are not, and which countries are making a real contribution to strengthening the free world and which are not.

Let us look at the parliamentary situation.

The Senate Calendar discloses that there are only three items on it which have been placed on it since the last calendar call on November 5, 1963. There is no reason why we cannot at any time lay aside the foreign assistance bill to take up any other matter the leadership feels should be acted upon.

Now there has been some inaccurate talk that our taking sufficient time to debate the foreign assistance bill thoroughly is delaying early enactment of the civil rights bill.

In the first place, the Senate Commerce Committee has not even reported out a civil rights bill. It is awaiting, I understand, the arrival here of a House-passed bill.

What is that status of the House bill? I understand that the majority report will be filed shortly, and that the minority views will be filed about 1 week later.

The House bill will then be referred to the House Rules Committee. I suspect, Mr. President, from all indications, that committee will not act at once. In fact, Mr. President, I would expect considerable delay in obtaining action by that committee. Indeed, Mr. President, the delay may be so long and seem so interminable and hopeless to the supporters of civil rights legislation that they may try to go the discharge petition route.

But, Mr. President, the discharge petition route is full of parliamentary foxholes.

First, a discharge petition cannot be filed until the lapse of 7 legislative days

after the bill has been referred to the Rules Committee. Assuming, optimistically, the report is filed today, that means that about the 27th of November a discharge petition can be filed—assuming the other body met every weekday during the interval. I am willing to concede that point, although I have some considerable doubt as to its validity.

Let us now assume that through intense effort on the part of the supporters of civil rights legislation, the requisite number of signatures is obtained in a week. Now this assumption is also subject to grave doubt, because it would then be the long Thanksgiving Day weekend.

But forgetting any doubts as to the validity of my assumptions, this would mean that on December 4, the discharge petition could go on the calendar.

At this point we run into another parliamentary snarl. Again, 7 legislative days must elapse before a Member who has signed the discharge petition can arise in the House on either the second or fourth Monday of the month to call up the bill.

The 7 legislative days cannot elapse between the 4th of December and the 9th of December, which is the second Monday in December. The fourth Monday in December is the 23d of December. We have already been told that the Senate will recess or adjourn on December 20 until January 2, 1964. It would be most surprising if the other body did not follow suit.

Thus, Mr. President, there will be no House-passed civil rights bill during this session of the Congress unless the House Rules Committee gives an almost immediate rule or if the leadership in the Senate changes its announced intention of not bringing in the Senate civil rights bill, now awaiting the filing of the report by the Senate Commerce Committee.

So the debate on foreign aid is not holding up the passage of any civil rights bills.

Neither is it holding up any tax legislation. I understand that with over 100 witnesses to go, it is estimated that hearings will go on until Christmas.

I bring these matters up for a purpose. The Foreign Relations Committee, in its excellent report, had said that it considered seriously writing into the bill a provision for terminating the foreign assistance program in fiscal year 1964 and expecting the AID administrators to present, for fiscal year 1965, a completely new approach. Nothing was written into the bill, but the expectation of a new approach for fiscal year 1965 is written into the committee report.

Mr. President, the beginning of fiscal year 1965 is not very many months away—8, to be exact.

That means that within 3 or 4 months the AID administrators will be before the Foreign Relations Committee presenting the new approach, which I hope has already been worked out, since it will have to be reflected in the President's messages and budget in January.

As I have shown before, long debate on our foreign aid program in the Senate is not delaying any legislation. Let us then go through the foreign assistance

program now, on the Senate floor, country by country, program by program, and attempt to give the foreign aid program the new look in foreign aid which apparently everyone is convinced it must have.

The time to do it is now. The program can be greatly strengthened and improved in this, the 1st session of the 88th Congress. By so doing, Congress can measurably improve its record of performance and compensate for its inability to act on civil rights and tax legislation, which perforce have to go over to the second session.

Mr. MORSE. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield.

Mr. MORSE. I congratulate the Senator from Alaska for the speech he has just made on the floor of the Senate, under the title "There Will Be No Civil Rights or Taxation Legislation This Session—Let Us Work Out a Good Foreign Aid Bill."

I shall speak at length later this afternoon on some of the procedural problems that confront the Senate in connection with the foreign aid bill. Some of my remarks will be a bit repetitious of what the Senator from Alaska has stated in his able speech.

We are doing exactly what the Senator from Alaska suggested we should do. We are going through the bill section by section, trying to make Senators more fully aware of the facts concerning the foreign aid problem that confronts the country. I would that we were doing it in another way; but we offered the other choice, which was to try to do it on a committee basis again, in consultation with the administration, after it once became clear on the floor of the Senate that the bill reported by the Committee on Foreign Relations was not popular with many of us and ought to be amended. It has been amended already, and I hope it will be amended many more times in the days ahead.

I still plead with my administration, as I did with certain emissaries who were sent to see me yesterday from the administration, that it is still not too late to get together, rather than to be quarreling with one another at distances of blocks.

I shall have something to say this afternoon about a point of view expressed by the very able and wonderful Secretary of State at a news conference this morning—a point of view with which I am in complete and total disagreement. It must be answered on the floor of the Senate today, and it will be answered on the floor of the Senate today. But that does not mean that I have the slightest lessening of affection for this wonderful Secretary of State.

I merely think he was dead wrong in his news conference this morning on the subject of the prerogatives of Congress. He is an able lawyer. I think he knows better. But I can well understand how, with the pressures under which this wonderful man is working, he finds his will thwarted, as it is being thwarted in Congress, by Congress exercising in its clear obligations to the taxpayers in respect of the foreign aid bill, he might yield to the apparent pique that the news stories, at least, indicate he labored

under at the news conference this morning. That will not prevent me from co-operating with him. I would sit down with him in the next hour, talk about our differences, and try to adjust them. But that calls for an attitude of adjustability at the other end of Pennsylvania Avenue as well as on Capitol Hill.

The Senator from Alaska spoke eloquently and wisely in his speech by pointing out that our task now is to proceed section by section and country by country, and let Senators decide whether they want to vote to bring to an end, in some countries, the waste, and in some particulars, corruption, that have come to characterize foreign aid in those countries—not by American administrators, but by the recipients of the aid.

Mr. GRUENING. I thank the Senator from Oregon. In connection with his earlier remarks, his conversation with the Secretary of State, and the difference of opinion, the Senator from Oregon yesterday pointed out—and it is quite true—that the Senate has a duty to watch over appropriations.

The use of large sums of money as an instrument of foreign policy is new in American history. It began with the Marshall plan. Up to that time, it was assumed that the President and the Secretary of State conducted foreign relations, and that the only function of the Senate was to approve treaties by a two-thirds vote and to confirm the nominations of Foreign Service officers. But beginning with the Marshall plan, an entirely new factor appeared; namely, the use of vast sums of money—millions, tens of millions, hundreds of millions, and now billions of dollars—as an instrument of foreign policy. That places a new and great responsibility on Congress.

Therefore, it is entirely fitting and proper that Congress should inject itself into the activities of every one of the countries that are the beneficiaries of these huge appropriations; otherwise we would be delinquent and failing in our constitutional duties. So when the opponents of the effort to fulfill our constitutional duties say that the President is in charge of foreign policy and that Congress has no business interfering, they are not up to date. They do not realize that 20 years ago an entirely new era in foreign policy was ushered in.

I applaud what the Senator from Oregon said, and I echo it: We have a specific duty to watch over the appropriations and the conduct of our foreign aid in every country, because we are being asked to approve huge sums for the pursuance of the foreign aid policy in those countries. That cannot be emphasized too often. Congress now has a new function: to cooperate with the Executive in the whole foreign aid field.

Mr. President, I call up amendment No. 232. I ask unanimous consent that there may be a quorum call without my losing the floor.

Mr. MORSE. Mr. President, will the Senator from Alaska yield, if it is agreed that he may do so without losing his right to the floor?

Mr. GRUENING. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, earlier today, after a conference with the majority leader, and in order that an amendment might be pending, I called up my amendment No. 306, and it was made the pending question. It is the so-called United Nations amendment. In essence it proposes that no more of our funds shall go to any United Nations country that is able to support itself—which means most of them.

It has now been suggested to me that I cooperate by withdrawing my amendment, which I believe I have a right to do.

However, Mr. President, although I believe I have the right to withdraw my amendment, I now ask whether I may now withdraw it without in any way jeopardizing my right to offer it at a later time.

The PRESIDING OFFICER. The Senator may do so without jeopardizing his right to offer the amendment later.

Mr. MORSE. Then, Mr. President, I now withdraw my amendment, so that the Senator from Alaska [Mr. GRUENING] may offer his amendment.

The PRESIDING OFFICER. The amendment of the Senator from Oregon is withdrawn.

Mr. GRUENING. Mr. President, I thank the Senator from Oregon for his characteristic courtesy and cooperation.

Mr. President, to the committee amendment, as amended, I now offer on behalf of myself, Mr. SIMPSON, Mr. ERVIN, Mr. MOSS, Mr. CANNON, Mr. DOMINICK, Mr. MORSE, Mr. YARBOROUGH, Mr. BIBLE, and Mr. SMATHERS, my amendment No. 232, which is designed to establish sound fiscal practice in connection with one very important aspect of our foreign aid.

The PRESIDING OFFICER. The amendment to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. In the committee amendment, as amended, it is proposed to delete, on page 50, lines 8 through 17, as follows:

(6) in the case of loans under part I (except under section 205), shall establish terms which shall include (A) interest at a rate not lower than three-fourths of 1 per centum per annum during the five-year period following the date on which the funds are initially made available under the loan, and not lower than 2 per centum per annum thereafter, and (B) repayment on an amortized basis, beginning not later than five years after the date any funds are initially made available under the loan, and ending not later than thirty years following the end of such five-year period.

And between lines 3 and 4, insert the following new section:

(6) In the case of loans under part I shall establish terms under which interest shall be at a rate not less than the rate arrived at by adding one-quarter of 1 per centum per annum to the rate which the Secretary of the Treasury determines to be equal to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date the application for the loan is approved and by adjusting the result so obtained to the nearest one-eighth of 1 per centum.

Renumber the remaining sections appropriately.

Mr. GRUENING. Mr. President, several years ago Congress began to grow impatient over the large number of grants being made to various countries, and requested the Foreign Aid Administration to make loans, so that the recipients of our aid would have a sense of responsibility and would know that they would have to repay the amounts extended to them. That came at a time when retrospectively we felt it had been a great mistake under the Marshall plan to make tremendous gifts to these nations, and decided that we should have made loans, instead, so that these countries, which do not have the large numbers of unemployed that the United States has, would repay the amounts extended to them by the United States. So we then adopted the so-called loan policy. The 40-year loans were made under the following terms: No repayment of either principal or, in some cases, of interest for 10 years, and interest at the rate of three-quarters of 1 percent per annum. But, Mr. President, I submit that such terms are not at all the terms of a loan.

Let us consider what actually happens: I happened to be in Cairo when our Ambassador signed a 40-year loan for \$30 million, for the construction of a powerplant in West Cairo. Of course, a powerplant is a profitmaking enterprise; and from the day when it begins to generate power, Mr. Nasser can charge the consumers whatever rate he wishes to charge. The terms of the so-called loan were, as in the case of practically all our development loans, no payment of principal for the first 10 years, and interest at the rate of three-quarters of 1 percent.

No payment during the first 10 years means that during that time the people of the United States will be borrowing the money from themselves, through bond sales, at a rate of approximately 4 percent interest. Four percent of \$30 million is \$1,250,000 a year. As a result, during each of the 10 years we shall be going into the hole by making a concealed grant of \$1,250,000, and at the end of the 10-year period we shall have paid out \$12,500,000 before the loan mechanism starts to function; and for the remainder of the 30-year period we shall be paid interest at the rate of only three-quarters of 1 percent per annum. Certainly that is the poorest kind of business in the world.

My contention is that if there are in the world—as undoubtedly there are—peoples who are so poor that they cannot pay the rate of interest which we require in connection with loans to the American people, we should return to the making of grants. But I submit that in the case of the powerplant to which I have referred, there was no such need. Nevertheless, all of the so-called loans we have made to these countries have been made on such ridiculous terms; and to date we have made development loans on these "soft" terms to the extent of \$1,300 million. Even if we assume that the loans will be repaid—which is extremely doubtful in many cases—we shall have to pay out, under such concealed grants in connection

with these "loans," \$870 million. That is utterly fantastic.

The House of Representatives and the Senate have shown some sense of recognition that the three-quarters of 1 percent interest rate is not realistic. So it has tinkered with this arrangement, but its tinkering is not at all realistic. The House version of the bill provides that in no event shall the rate of interest be less than 2 percent per annum. The Senate committee did a much better job; it provided that the three-quarters of 1 percent rate would continue for the first 5 years, and thereafter the rate would be 2 percent. But actually, we would thus be doing exactly what we did before: We would be making so-called loans which would not be loans, and we would be going into the hole to the extent of millions and millions of dollars before the loans would be repaid.

My amendment provides that we should ask, as terms for our loans, exactly the interest rate it costs the American people to borrow money. The Treasurer of the United States can inform us whether we are borrowing money at 3½ or 4 percent; and we should add to that 1 percent, as a carrying charge.

This is a just amendment, and I hope it will be adopted.

Mr. President, at this time I wish to suggest the absence of a quorum, if I may do so without losing the floor.

The PRESIDING OFFICER. Is there any objection?

Mr. MUNDT. Mr. President, will the Senator from Alaska withhold that suggestion for a few minutes? I seek the floor, to address the Senate.

Mr. GRUENING. I shall be glad to yield to the Senator from South Dakota, if it is agreed that following his remarks, I shall still have the floor, and may then suggest the absence of a quorum.

Mr. MUNDT. That is perfectly acceptable to me.

Mr. GRUENING. Mr. President, will that be possible?

Mr. MUNDT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alaska yield to the Senator from South Dakota?

Mr. GRUENING. Yes; with the understanding that I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, will the Senator from Alaska yield briefly to me? Under an agreement with the Senator from South Dakota [Mr. MUNDT], he has kindly offered to yield 3 minutes to me.

Mr. GRUENING. I am happy to do so.

Mr. KEATING. I thank the Senator from Alaska and the Senator from South Dakota.

The PRESIDING OFFICER. Without objection, the Senator from New York may proceed.

AID TO ISRAEL

Mr. KEATING. Mr. President, there has been some criticism of the continuing U.S. assistance program in Israel.

Critics argue that Israel has achieved a rapid rate of economic growth, that its gross national product has risen over the past several years, and that it is anticipated this growth will be maintained. This is a very good record and, since much of the criticism of foreign aid has been directed to the fact that it has sometimes failed to accomplish its objective, we should be congratulating ourselves that our aid to Israel has produced such gratifying results.

Since our aid to Israel has been a success, as every Senator who has visited that country can testify, I would counsel against any abrupt or radical change in that program that would retard the progress that has been made and that would cancel out past achievement.

Some critics assert they are not opposed to lending money to Israel. But they contend that the economic facts of life make it clear that "our loans to Israel should be made only on a businesslike basis, and not through the soft money route which has been set up for aiding the truly underdeveloped countries of the world." Extensive tables showing the interest rates on loans to Israel have been included in the RECORD. Here it should be noted that on many of these loans the interest rates have been set at conventional levels, and I understand that the rate to be charged on loans during the current fiscal year is 3½ percent.

Now, Mr. President, I think it is oversimplification to examine our aid program to Israel solely in economic terms. We cannot be satisfied with a fiscal view of the problems of security and survival in the Middle East. All of us may be very happy that Israel has made dramatic and dynamic economic progress. But I am sure that the realities in the Middle East cannot but dilute optimism about future predictions.

The unfortunate fact which we cannot overlook is that the balance of military strength has been gradually shifting against Israel. And we must bear in mind that our country has not granted military aid to Israel, even though she is surrounded by nations which threaten her with extermination and which acquire modern Soviet weapons to carry out those threats. If we had been supplying Israel with grant military assistance during this period, it might be argued that all of our loans for economic development should be made on conventional interest rates.

It is a fact that our Government is now making the Hawk available to Israel in order to enable her to defend herself from low-flying supersonic Soviet bombers. But this is not a grant. We are loaning Israel the money to buy this defensive weapon and she is being charged 3½ percent interest on a 10-year loan.

We must be concerned about Israel's security. If we cannot persuade the Soviet Union to stop shipping deadly weapons to Egypt and if we cannot persuade the former Nazi scientists who are building ground-to-ground rockets for Egypt to abandon this deadly effort, then we must realize that Israel is in peril. We cannot afford to dismantle an economic aid program which helps to preserve Israel's existence.

We must bear in mind also that the United States and other Western nations have been providing generous economic aid to Egypt and other Arab countries. Of course, it is argued by some officials that we are simply providing economic aid to these countries and that we are not responsible for the fact that this makes it possible for them, indirectly, to acquire additional weapons from the Soviet Union, as well as to hire former Nazi scientists, as well as to deploy troops in Yemen and in Algeria. But I do not accept that reasoning.

We must not delude ourselves into believing that the Arab threat to Israel is not real. They may move to carry out those threats when they are strong enough. For that reason it is essential that the arms balance be maintained. If we are not ready to put Israel into our grant military aid program, as we do in the case of many countries, then we must be ready to maintain economic aid to that country.

Now, what has Israel been doing? Even though she has been threatened by hostile forces and must therefore divert much of her budget for defense, she has been able to carry on her magnificent open door policy. She has continued to admit refugees from lands where they have suffered discrimination—many of them in fact have managed to escape to freedom from lands behind the Iron Curtain.

Immigration into Israel rose in 1962 to a peak figure. In the last 2 years, Israel has taken in approximately 110,000 people, which is more than 1,000 a week. This has been made possible because the Israelis themselves have gone deeply into debt to finance development, to underwrite their immigration program, and to insure security.

The Israelis pay heavy taxes. Every economist will agree that large outlays for defense and for immigration do not produce foreign exchange. Accordingly, it is difficult to pay for such expenditures with loans which require high interest rates. Most countries which acquire weapons for defense have been able to get them without paying anything at all. And so while it is quite true, as has been said that Israel's foreign exchange holdings have risen during the last few years, her reserves are not high in relation to her trade deficit. Her foreign debt is also very high. It was estimated at \$768 million just a year ago. Early this year, the Israel budget showed that the average Israeli will pay \$422, or 56½ percent, of his GNP per capita, for the cost of government.

This year, Israel began to pay off the first Israel bonds. It has paid off the last installment of the \$100 million Export-Import Bank loan which the administration granted Israel in 1949. That was the first expression of American assistance—and this repayment is another demonstration of the soundness of our aid program to that country.

Israel's reserves are a security chest and they are essential because Israel is in an exposed military position. War could devastate, not only Israel's economy but her people, overnight.

It is strange indeed to look at our aid program in any one of these Middle East countries without recognizing the political problems that exist there and the military circumstances which jeopardize security. No one who looks at this program can be unaware of the fact that it is essential to maintain Israel's strength in order to prevent war and to preserve what little stability there is. Surely, it would be a disastrous blunder if there were to be a precipitous reduction in our aid to Israel and if this were misinterpreted. We cannot permit any nation in the Middle East to gain the impression that American interest in Israel has receded and that we are indifferent to what happens there.

MIDTOWN PLAZA IN ROCHESTER, N.Y.

Mr. KEATING. Mr. President, last Sunday's Washington Star carried a story by Robert J. Lewis titled "A New Downtown." It describes the beautiful new Midtown Plaza in Rochester, N.Y. This shopping center, in the middle of the downtown area, was designed to attract shoppers back into central Rochester by providing a unique and unusual setting.

Without a penny of Federal aid, private businessmen and the city government cooperated to construct a glass-enclosed air-conditioned town square surrounded by attractive shops.

Midtown Plaza now includes two large department stores, 30 retail shops, 13 floors of office space, a post office, a hotel, an auditorium, a sidewalk cafe, a restaurant with a 10-mile view, a central bus terminal, and an underground parking garage for 1,843 cars.

The author of the Star article considers this Rochester project a model for other cities seeking to rejuvenate their downtown areas—particularly Washington, D.C. So that all my colleagues can become familiar with what Rochester has done, I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW DOWNTOWN (By Robert J. Lewis)

Rolling into Rochester from the airport, the cabdriver tells you: "It brought the city back to life. Yeah, it saved the downtown. They got that underground parking and you drive right into it. You'll see it in a minute. See there, up ahead. See it stick up in the air." Jutting in the distance is a shining office tower, symbol of Midtown Plaza, the Nation's most spectacular center-city revival project.

On the spot a half hour later, jostled by a swarm of frenzied shoppers, you begin to share the cabdriver's enthusiasm. This city of 320,000 in upstate New York has created something no other downtown possesses anywhere in the world—a "town square" under glass, a focal point leading to more than 40 air-conditioned acres of floor area. In the square are two big department stores, 30 retail shops, 13 floors of office space, the city's busiest post office branch, a 78-room hotel (perched on four floors atop the office building), an auditorium, a sidewalk cafe, a floating restaurant-bar with a 10-mile view,

a central bus terminal, and underground parking for 1,843 cars.

In the year and a half since this \$35 million magnet of commercial excitement was unveiled, Rochester has made a discovery of interest to Washington and every other city aiming at downtown renewal: Give the people convenient in-town transportation; a place to hide their cars; exciting new things to look at; an open place to assemble, meet, sit, and stroll about; ways to combine shopping and pleasure—plus all the acknowledged advantages of downtown diversity—and they'll come in droves, stay for hours, buy like mad, and go back to their suburban homes reluctantly.

The most amazing fact about this humming new center is that it went ahead without a penny of Federal aid.

Key to the beginning of the eight-acre transformation smack in Rochester's counterpart of Washington's 14th and F Streets was a decision by the city in 1958 to spend \$12 million, mostly on public improvements it intended to carry out even before the Midtown was proposed. This money went to finance the three-level public parking garage beneath the plaza, partially close two narrow streets, and extend another street to channel in more traffic. The improvements were designed to attract private investment.

With this expenditure agreed to, the owners of two big Rochester enterprises—McCurdy's, a department store, and Forman's, a ladies specialty shop—formed a development corporation, assembled 17 parcels of land at a cost of about \$5 million, and told architect Victor Gruen to do his ingenious best.

Fresh from designing changes for downtown Fort Worth that never got beyond the blueprint stage, the Viennese-born architect proposed a modern version of the traditional European town square to enliven downtown Rochester. The square, naturally lighted and air-conditioned, would be the centerpiece, with ground-level and balcony-level stores fronting on it. Three similarly air-conditioned arcades radiating from the plaza also would have stores. Ground rights for the parking garage were to be leased to the city for \$1 a year.

The site picked for the town square was behind the two big stores. Mr. Gruen proposed to remodel and enlarge the existing two stores, open their rear to the glassed-in plaza and fill in the spaces on all four sides with buildings for competing specialty shops, among them an airline ticket office, a barber shop, a realty firm, a travel agency, and a beauty shop. A bank was also planned.

Placing an 18-story hotel-and-office building at one end of the enclosed plaza and a smaller office building at another end—and linking the whole complex with elevators, stairways, pedestrian arcades, and escalators to the below-ground parking—was all part of the scheme to attract big crowds and keep them there, inside, out of the weather, and shopping to their heart's content.

That's exactly what happened. Now, as you stroll inside Midtown Plaza, the place is crowded, day and night. Some stores, including McCurdy's, stay open from 9:30 a.m. to 9 p.m., but even after closing time, people cluster in the plaza, sitting on benches, talking, reading, as people have done in town squares for centuries. Lights stay bright, doors remain open, and escalators keep running to below-ground parking all night long.

"Public acceptance has been simply amazing," Gilbert J. C. McCurdy says. He is 68, a Phi Beta Kappa graduate of Williams College, and heads the department store founded by his father in 1901. It was his initiative that led to forming the Midtown Plaza development firm, which he serves as president.

But Mr. McCurdy's move to improve downtown Rochester came only after his department store had taken the defensive step of opening a suburban branch a decade ago.

"We had a number of friends in the branch business and we thought we would build one and see what happened," he says. "Our suburban branch was very profitable. But we soon discovered it's impractical to build branches of sufficient size to represent a store like ours. So we determined our next move would be to do our utmost to make downtown more attractive than any suburban shopping center could be."

Mr. McCurdy carefully emphasizes the Midtown Plaza project was designed with all downtown Rochester in mind. (His firm and the Forman company are 50-50 partners in the venture.)

Other storekeepers largely agree that whatever helps Rochester's central core should help them, too. But there is no question that some downtown merchants have been put at a competitive disadvantage by the shiny new midtown development, with its own captive audience arriving effortlessly by escalator, hour after hour, from the subterranean three-level parking garage.

Yet Sibley's and Edwards'—Rochester's other big department stores—also benefit from large, above-ground municipal parking garages, completed before Midtown Plaza was started. And, unquestionably, some shoppers park at midtown primarily to visit other nearby shops and stores in Rochester's compact downtown. But Vicki Newton, 22, a junior at the University of Rochester, is not not one of these.

"I used to go down one side of Main Street and up the other," she tells you. "Now I shop in Midtown all the time, constantly. And in the wintertime it's marvelous. I never go outside except to Sibley's." (Sibley's, across Main Street from Midtown, is upstate New York's largest department store.)

Older shoppers, too, are entranced. "My grandmother loves it," one youngster said. "She likes to sit and watch the people, and says to me: 'You run and do something and I'll sit here and look at the flowers.'" Alfred (Alfie) Valentine, 76, a retired music teacher, likes to visit Midtown once a week to meet up with friends. "This place was a Godsend to old people," he says. "Now they come here and see everything. It's an entirely new world." Gus Karner, 70, retired proprietor of Rochester's Nuremberger Hof restaurant, adjusts his straw hat, stomps his cane, and says: "I come in every single day—I live just down the way, across from the Knights of Columbus."

Far from worrying over the center's non-shopping attractions for older persons, Angelo Chiarella, a youthful architect who is Midtown's general manager, likes it that way. "Some do sit on the benches a long time," he says. "But we figure if they like what's going on here we must have struck just the human note that cities need."

One of the town square's attractions is its clean-lined architecture. Another is the sunlight flooding in from 12-foot-high clerestory windows surrounding the 60-foot-high ceiling. A third is the ever-changing throng of dressed-to-kill Rochesterians so obviously enjoying themselves. ("Ogling pretty girls is also a pastime," suggests an official of the Rochester Planning Commission.) But by far the most fascinating of the plaza's allurements is the Clock of the Nations—an artful \$35,000 creation in the center of the square. It stops all traffic every hour and half hour as it puts on a puppet show to the tempo of folk dancing tunes of a dozen foreign nations.

"That clock gave the best value per dollar spent on anything," says General Manager Chiarella. The Gruen architects had it specially made in Beverly Hills after unsuccessfully searching through Europe for someone to do the job.

Midtown Plaza's big lesson for cities seems to be that downtown business districts need enlivenment, however it is done. It demonstrates the importance of separating automobile traffic from pedestrian traffic (special underground ramps and surface loading docks are provided for delivery trucks servicing stores). It points out quick, easy means of transportation to shopping areas are needed (a subway station, for example, could complement onsite parking in a development like this).

In Rochester, an argument still simmers over how best to meet the changing downtown needs of cities. Mr. McCurdy, who spearheaded this notable project during the tenure of Republican Mayor Peter Barry, says it would have been impossible under Federal renewal procedures. The city's new mayor, Henry E. Gillette, a Democrat, fought the project in its planning stages, now concedes: "It does make Rochester more attractive." But he quickly adds:

"It's very unlikely any other city will attack the problem in this same manner because of the insufficiency of city funds. Cities will have to resort to the Federal urban renewal concept, using Federal, State, and municipal money."

However, that argument is settled, the people of Rochester are sure of one thing: They like Midtown Plaza. It makes the city more lively. As Mrs. Rae Ojalvo, a Rochester housewife, says: "It's something wonderful. It's beautiful. It's a meeting place for everyone."

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota.

THE FREEDOM ACADEMY AND FOREIGN AID

Mr. MUNDT. Mr. President, while I am a member of the Senate Committee on Foreign Relations, due to unavoidable circumstances I was not able to attend the closing series of meetings at which the aid bill was finally marked up, nor have I participated up to the present time in the debate on the floor of the Senate. However, I have availed myself of some unexpected leisure time to read each day's issue of the CONGRESSIONAL RECORD so as to follow the debate in the Senate very carefully. First, I congratulate the Senate for the fact that, for the first time in my experience, the Senate has really measured up to its responsibilities on foreign aid legislation and gone into the issues item by item and paragraph by paragraph to try to register its collective judgment in the improvement of a program which everyone knows has fast been going to pot during the past few years.

I especially congratulate my distinguished colleague on the Senate Committee on Foreign Relations, the Senator from Oregon [Mr. MORSE], for assuming leadership in opposition to accepting the results of the findings of the Senate Committee on Foreign Relations without scrutiny, and without amendment. The Senator from Oregon insisted that the Senate spend sufficient time on the subject so that all Senators might be fully conversant with the facts involved, so when they cast their votes they would be voting their independent judgment and the wishes of their constituents instead of merely following the recommendations of the committee report. I think the proposed legislation is important

enough to justify that kind of consideration.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. MORSE. I thank the Senator from South Dakota for his remarks. But I wish also to thank the Senator from South Dakota for the assistance he has been to all of us who share that common point of view in our work on the Foreign Relations Committee. The Senator was of great help during the hearings and during those sessions of the markup when it was possible for him to be present.

For example, the Senator will recall that it was the Senator from South Dakota who made the final motion by way of compromise in the committee on the contingency fund, about which he and I have been critical for many years, including what we consider to be a misuse of the contingency fund in some instances.

I thank the Senator for the great assistance he has been to those of us who feel that we owe to the American taxpayers the course of action we are following in the Senate on the bill.

Mr. MUNDT. I am indeed grateful to the Senator. What he has said brings to mind a statement he made one day on the floor of the Senate while I was absent in the hospital. He commented on what I felt was one of the most astonishing statements I have read in Washington newspapers in 25 years. Some columnist, whose name I have forgotten, chided the entire Senate because it was even debating the foreign aid bill, and suggested that such debate was a pure waste of time. I thought the Senator from Oregon, in his typical able manner, put that particular reporter in the spot in which he definitely deserved to be placed. I got a "kick" out of reading the remarks.

Up to now most of our discussion has dealt with the funding of the Foreign Assistance Act and with the way in which the program has operated in specific areas.

I wish to devote the body of my remarks today to a discussion of one of the basic reasons why I think the foreign aid program has fallen into such bad repute around the country. I think it is not primarily the size of the job which we have undertaken or the cost, but the fact that the failures at the end of the line and in the field are now so apparent that Americans generally are rightfully insisting that Congress dedicate itself to correcting such conditions.

I recall that a week ago today the Senator from Missouri [Mr. SYMINGTON] took occasion in the course of the Senate debate to point out the need for more adequate training for the American officials who are responsible for the administration of the American programs abroad, and for carrying out the American foreign policies. I support completely the point of view which he expressed. One reason why so much of the \$100 billion we have spent in this area has been nonproductive, or perhaps, to use a favorite State Department phrase, even counterproductive, is that

we have not had the trained personnel who clearly understood the scope of their jobs and the nature of the Communist menace which we are attempting to resist by the foreign aid program.

I share the skepticism of the Senator from Missouri [Mr. SYMINGTON] about our merely making multimillion-dollar appropriations for foreign aid while we in the Congress continue to fail to establish the training facilities for our officials which is necessary to enable them to implement the foreign aid programs effectively and produce the results which the country expects from them.

I have voted for far more foreign aid than I have opposed. I speak as one who has introduced several bills to provide for adequate training for those who represent America overseas. I speak as the coauthor of the legislation which the Senate enacted in 1960, moving toward that goal, but which unfortunately has not even yet been voted upon by the House of Representatives.

The best way to express the need for this type of legislation, and the potential for strength which is embodied in the Freedom Academy proposal, of which I am a cosponsor, is to repeat the greatly impressive statement in the report of the Senate Committee on the Judiciary, Report No. 1689, of the 86th Congress.

I read from page 5 of that report, as follows:

The Communists have conquered a billion people during a period when their sphere was markedly inferior in industry, technology, science, and military capabilities—in fact, inferior in almost everything except power-seeking know-how. The Soviets have been able to expand their empire during this period of inferiority, because they have developed a science of protracted conflict in which they are able to gradually increase their relative power position, using a well-integrated combination of political, economic, and military methods while avoiding a sufficient provocation to invite massive retaliation. Central to their science of protracted conflict is their skill in political and economic warfare.

Soviet capabilities in political and economic warfare are not inborn. They are the result of a massive development and training program extending over several decades. This formidable program has given them a huge fund of political warfare knowledge, an effective operational science, and large numbers of highly trained cold-war professionals.

I continue to read, from page 6 of the report of the Committee on the Judiciary:

There are grave deficiencies in this country's preparation to defend itself and the free world in this unitary, total, unending war to the finish. At the top of the list, and underlying our other failures, is our failure to institute an adequate cold-war development and training program.

Mr. President, since the Senate is considering the present multibillion-dollar foreign aid proposal, it is a good time for Senators again to ask themselves the question, "Why is it that for 15 years, during which there has been an expenditure of over \$100 billion, we have so miserably failed to provide the essential training devices so that our cold war operatives abroad can function as professionals and experts instead of as

the giddy-eyed amateurs they are so demonstrably today?"

Mr. President, I continue to read from page 6 of the committee report, made in 1960:

1. No concentrated, systematic effort is being made to develop an integrated operational science from our side which will meet the entire Soviet attack and work toward our long-range national objectives in a coordinated manner utilizing every area of potential strength in the public and the private sectors. We have not thought through all of the short- and the long-range methods and means which freemen can properly use when faced with a Soviet-type challenge, and we have not integrated these methods and means into a broad strategic plan. This is especially true in political and economic warfare. Bits and pieces of the problem are being worked on within the Government and at some universities, and a part of this development work is of a high order, but the total effort falls far short of seeking an integrated, operational science and it does not begin to develop our true potential.

2. Nowhere today can Government personnel or private citizens receive broad spectrum training in cold war, especially in the large and highly complex field of political and economic warfare. Not only do we lack top-level schools, we do not even have intermediate or lower level schools. There is no place where the bits and pieces are pulled together and taught in concentrated form.

I understand that the Senator from Connecticut [Mr. DODD], a great and courageous Senator, was the author of the subcommittee report on which the Judiciary Committee report was based. The Senator from Connecticut is a coauthor of the current Freedom Academy bill, S. 414, which a number of us have been energetically trying to have approved by the Committee on Foreign Relations, approved by the Senate, and sent to the House of Representatives in time so that the House may approve it this year.

I wonder how far the Appropriations Committee of the Senate, of which I am a member, would get if it came to the Senate to recommend an appropriation of \$500 million, or \$1 billion, for some aspect of nuclear science—perhaps development of an improved Polaris, or development of an improved delivery system for utilizing nuclear warheads abroad—in similar circumstances. How successful would we be if it came to the Senate, as the Committee on Foreign Relations has come to the Senate, to ask for \$3 billion, if, in connection with the appropriation we asked the Senate to provide, we told Senators candidly and honestly, as the Foreign Relations Committee virtually tells the Senate today, "If you give us the money, we will spend it, but you should be forewarned as to the fact that we do not have any experts in the field to utilize the money. Give us the money for nuclear warheads. Give us the \$500 million for an experiment in connection with nuclear warfare, and we will pick up some fine, idealistic, patriotic, unskilled amateurs who do not know a warhead from a mountain, and who do not understand anything about the basic science of nuclear physics. We will proceed, with those amateurs, to spend the people's money in our national defense."

I believe the Senate would unanimously reject such a request, if made by our

Committee on Appropriations. If the Senate did not reject it unanimously, I suspect that the people at home would reject the Senators who voted for that kind of unconscionable squandering of the people's resources.

Yet that is precisely the situation in which we find ourselves as Senators today. The Committee on Foreign Relations is asking the Congress to approve more than \$3 billion of additional money to fight a cold war, and says, "Give us the money. We will see that it is spent. We will get some fine, patriotic, idealistic unskilled people to go overseas, and they will spend the money, even though they are complete amateurs in the entire cold war concept, even though they have never spent a single month in a training facility learning what the Communist apparatus is all about, how it operates, how it functions, and the devious tactics it employs. We will send these amateurs out with 'star dust' in their eyes, with billions of dollars of American taxpayers' money in their pockets, to do battle against expert Communist professional operatives functioning in the same field, who have been trained for years in one or more of the six Soviet institutions set up specifically to train the cold war operatives functioning for communism."

Do Senators wish to know why there has been so much trouble with this foreign assistance bill? As I sat in the hospital and in my office reading the debate of days that I was absent it did not conjure up any mysteries in my mind. It did not cause me to seek out obtuse reasons why the debate continues day after day and week after week, as indeed it should. The reason is obvious.

The people of America have finally caught up with Congress, and have pointed the finger of responsibility at each of us. They say, "What gives? After spending \$100 billion, you want \$3 billion more for the same kind of enthusiastic inadequately prepared amateurs to squander overseas, trying to resist, to defeat, to turn back trained, skilled, professional Communist operatives who defeat us in the areas in which we come in contact with them."

I should like to talk about that fact. Now is the time to resolve to do something about it. Nothing has occurred since 1960, when the Senate passed the Freedom Academy bill overwhelmingly, to change the minds of the supporters of the bill or to change the minds of members of the committee. Our need for specifically trained personnel to win the cold war overseas is precisely today what the committee said it was in 1960.

S. 414, which was introduced on January 22 of this year, and which is basically the same as our Freedom Academy bill of 1960 has, as its cosponsors, in addition to the Senator from South Dakota who is now addressing the Senate, the Senator from Illinois [Mr. DOUGLAS], the Senator from New Jersey [Mr. CASE], the Senator from Connecticut [Mr. DODD], the Senator from Florida [Mr. SMATHERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Hawaii [Mr. FONG], the Senators from

Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from New York [Mr. KEATING], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Pennsylvania [Mr. SCOTT].

Nobody can type that group of Senators, Mr. President. I defy anybody to label them as "a conservative bloc," "a liberal bloc," "a nationalistic bloc," or "an internationalistic bloc."

They are Senators who represent the whole spectrum of ideological, economic, political, and philosophic differences in the Senate.

But they agree on one thing, namely, that we cannot win a war against professionals if we are relying on amateurs. This does not mean that the amateurs are evil. This does not mean that the amateurs are bad. It merely means that golf tournaments are not won, either, when amateurs are playing against professionals. It means that football games are not won when amateurs are playing against professionals. It means that baseball world championships are not won by amateurs playing against professionals. And wars are not won that way. They are not won by arraying amateurs against professionals when the wars are hot. They are not won that way either when the wars are cold.

This continued squandering of the people's resources, now representing an expenditure of well over \$100 billion, has miserably failed to achieve its optimum results, because contests are not won with that kind of matching of unskilled and inadequately trained amateurs against highly trained professionals.

So, of course, the debate on foreign aid drags on. Of course, amendment after amendment is added to what the Committee on Foreign Relations brought before the Senate. And, of course, when it comes up for the second round, when appropriations must be made—remember, we are talking about an authorization bill only now—it is a foregone conclusion that additional sharp reductions can, and should, be made in those proposed expenditures. Such reductions will be sizable and substantial.

Certainly, these reductions will take place unless by that time the Senate has before it some type of Freedom Academy bill, assuring the American people, at long last, that we are going to train specialized people who will be able to do the job, just as we do in military matters, just as we do in the atomic energy field, just as anyone does in any area of activity whenever one is out to win. And, unless we have the desire to win the cold war, we are stupid indeed to sacrifice so much of our national resources on a formula of failure.

The original position of the administration and of the State Department with respect to our Freedom Academy proposal was indeed a rather curious one. It was said that the kind of training proposed by the Freedom Academy was unnecessary, and that this kind of legislation was not needed. In their enthusiasm, members of the administration even said that that kind of training was already being provided by a few lectures and very short-time, cursory

courses, by which newcomers to Government overseas service were indoctrinated and briefed.

However, after the country rejected that sanctimonious position, the State Department was compelled to change its tactics. After a commission had been appointed by the President to obtain the facts and verify the position of the State Department that it was doing the job, and that no changes and additional training facilities were needed, and after the Commission brought back evidence that the State Department was failing to do the job, that something new was needed, and that the proponents of the Freedom Academy were correct in labeling them as inadequately equipped amateurs who were being sent out to fight against professionals—after that adverse report came back and surprised the administration, the State Department changed its tactics. It countered the great and growing support for the Freedom Academy by proposing a very modest expansion of the present mission of the Foreign Service Institute. It proposed to change its name to something more grandiloquent. It proposed to construct a fine new physical establishment to carry on the Foreign Service Institute program.

The State Department proposal completely fails, however, to grapple with the basic problem which would be met in the Freedom Academy bill. One need look only at the budgetary proposals for the two institutions to see this. The present Foreign Service Institute budget totals around \$6 to \$7 million, including payments from other agencies, to the extent that it is able to train people in foreign language proficiency, to teach them the routine method by which cables are sent back and forth between State Department functionaries and those who are overseas, to teach them to maintain what I hope are adequate security arrangements—although what we read in the newspapers recently leads me to some skepticism as to whether they are doing that job very well—to train people how to act at cocktail parties overseas, and how to greet foreign visitors at embassies with a broad smile and a good hand-clasp; in these highly limited areas of training, the Foreign Service Institute renders a useful service.

The new Academy proposed by the State Department would have a budget of something like \$8 or \$9 million annually. Let us contrast that with what we propose in the Freedom Academy bill, wherein we seek to do the job of fully meeting the problems we face, and of training personnel in the hard-nosed techniques required in order to beat off the seductions and subversions and programs of the Communists, with a minimum budget of from \$35 to \$50 million annually to train the people to do the job.

That is a pretty modest proposal when we stop to think that these are the people who, along with their predecessors, have spent \$100 billion. These are the people who are now calling upon us to give them another \$3½ billion so they can spend it during the remaining of this fiscal year.

Certainly, a training program of \$35 to \$50 million a year to equip and to train properly the people who are going to spend these astronomical amounts is a very modest safeguard in making sure that the money is well spent.

The State Department's shifting from one type of position to another in order to fit into the climate of public opinion deserves to be remarked upon a little further.

First it was said that no training was needed. Then the Department, under pressure, under the severe criticism of its own commission, which it had hoped would pat it on the back, but which, instead, kicked it in the pants, when it got the evidence, reluctantly admitted that the training program was not adequate.

Then the Department moved to confuse and befuddle the issue by advancing a proposal to substitute for the Freedom Academy bill a substitute which, in reality, proposes only to expand, to a very modest degree, what the Department is already doing at its Foreign Service Institute.

For the information of the Senate and the country at this time, I ask unanimous consent to have printed in the Record the full text of S. 414, the Freedom Academy proposal.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 414

(In the Senate of the United States, January 22 (legislative day, January 15), 1963, Mr. MUNDT (for himself, Mr. DOUGLAS, Mr. CASE, Mr. DODD, Mr. SMATHERS, Mr. GOLDWATER, Mr. PROXMIRE, Mr. FONG, Mr. HICKENLOOPER, Mr. MILLER, Mr. KEATING, Mr. LAUSCHE, and Mr. SCOTT) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations:)

A bill to create the Freedom Commission and the Freedom Academy, to conduct research to develop an integrated body of operational knowledge in the political, psychological, economic, technological, and organizational areas to increase the nonmilitary capabilities of the United States in the global struggle between freedom and communism, to educate and train Government personnel and private citizens to understand and implement this body of knowledge, and also to provide education and training for foreign students in these areas of knowledge under appropriate conditions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Freedom Commission Act".

CONGRESSIONAL FINDINGS AND STATEMENT OF POLICY

SEC. 2. (a) The Congress of the United States makes the following findings and statement of policy:

(1) The United States in preparing to defend its national interests in coming years faces grave and complex problems in the nonmilitary as well as military areas.

(2) First and foremost are the problems raised by the unremitting drives by the Soviet Union and Communist China seeking world domination and the destruction of all non-Communist societies. The Communist bloc and the various Communist parties have systematically prepared themselves to wage a thousand-pronged aggression in the nonmilitary area. Drawing on their elaborate studies and extensive pragmatic tests,

Communist leaders have developed their conspiratorial version of nonmilitary conflict into an advanced, operational art in which they employ and orchestrate an extraordinary variety of conflict instruments in the political, psychological, ideological, economic, technological, organizational and paramilitary areas enabling them to approach their immediate and long-range objectives along many paths. This creates unique and unprecedented problems for the United States in a conflict that is being waged in student organizations, peasant villages, labor unions, mass communication systems, in city and jungle, and institutions and organizations of every description, as well as in the world's chancelleries. Recognizing that nonmilitary conflict makes extraordinary demands upon its practitioners, the Communists, for several decades, have intensively trained their leadership groups and cadres in an extensive network of basic, intermediate, and advanced schools. The Sino-Soviet conflict capacity has been immeasurably increased by the mobilization of research, science, industry, technology, and education to serve the power-seeking ambitions of Communist leaders rather than the needs of their people.

(3) Second, the problems of the United States are complicated by the emergence of many new nations, the unstable or deteriorating political, social and economic conditions in many parts of the world, the revolutionary forces released by the rising expectations of the world's people, and other factors, all of which increase the difficulties of achieving our national objectives of preventing Communist penetration while seeking to build viable, free, and independent nations.

(A) The nature of the Sino-Soviet power drive, the revolutionary and fluid world situation, the emergence of the United States as the major leader of the free world and the need to deal with the people of nations as well as governments, has compelled the United States to employ many new instruments under the headings of traditional diplomacy, intelligence, technical assistance, aid programs, trade development, educational exchange, cultural exchange, and counter-insurgency (as well as in the area of related military programs). To interrelate and program these present instruments over long periods already requires a high degree of professional competence in many specialties, as well as great managerial skill.

(5) However, the United States has fallen short in developing and utilizing its full capacity to achieve its objectives in the world struggle. Not only do we need to improve the existing instruments, but a wide range of additional methods and means in both the Government and private sectors must be worked out and integrated with the existing instruments of our policy. Otherwise, the United States will lack the means to defeat many forms of Communist aggression and to extend the area of freedom, national independence, and self-government, as well as to attain other national objectives. However, this will require an intensive and comprehensive research and training effort first to think through these additional methods and means, and, second, to educate and train not only specialists, but also leaders at several levels who can visualize and organize these many instruments in an integrated strategy, enabling the United States to approach its national objectives along every path in accord with our ethic.

(6) There has been a tendency to look upon strategy as a series of discrete problems with planning often restricted by jurisdictional walls and parochial attitudes and too much piecemeal planning to handle emergencies at the expense of systematic, long-range development and programming of the many instruments potentially available to us. While there has been marked improvement in such things as language training

at agency schools, and while university centers have made significant progress in area studies, nowhere has the United States established a training program to develop rounded strategists in the nonmilitary area or even certain vital categories of professional specialists, particularly in the area of political, ideological, psychological, and organizational operations and in certain areas of development work. Nor has the United States organized a research program which can be expected to think through the important additional range of methods and means that could be available to us in the Government and private sectors.

(7) In implementing this legislation the following requirements for developing our national capacity for global operations in the nonmilitary area should receive special attention:

I. At the upper levels of Government, the United States must have rounded strategists with intensive interdepartmental training and experience who understand the range of instruments potentially available to us and who can organize and program these instruments over long periods in an integrated, forward strategy that systematically develops and utilizes our full national capacity for the global struggle.

II. Below them, Government personnel must be trained to understand and implement this integrated strategy in all of its dimensions. Through intensive training, as well as experience, we must seek the highest professional competence in those areas of specialized knowledge required by our global operations. Government personnel should have an underlying level of understanding as to the nature of the global conflict, the goals of the United States, and the various possible instruments in achieving these goals to facilitate team operations. We should seek to instill a high degree of elan and dedication.

III. Foreign affairs personnel at all levels must understand communism with special emphasis on Communist nonmilitary conflict technique. It is not enough to have experts available for consultation. This is basic knowledge which must be widely disseminated, if planning and implementation are to be geared to the conflict we are in. (The present two weeks seminar offered at the Foreign Service Institute is entirely too brief for even lower ranking personnel.)

IV. The private sector must understand how it can participate in the global struggle in a sustained and systematic manner. There exists in the private sector a huge reservoir of talent, ingenuity, and strength which can be developed and brought to bear in helping to solve many of our global problems. We have hardly begun to explore the range of possibilities.

V. The public must have a deeper understanding of communism, especially Communist nonmilitary conflict technique, and the nature of the global struggle, including the goals of the United States.

(8) The hereinafter created Freedom Academy must be a prestige institution and every effort should be made to demonstrate this is a major effort by the United States in a vital area.

(b) It is the intent and purpose of the Congress that the authority and powers granted in this Act be fully utilized by the Commission established by section 4 of this Act to achieve the objectives set forth in subsection (a) (7) of this section. It is the further intent and purpose of the Congress that the authority, powers, and functions of the Commission and the Academy as set forth in this Act are to be broadly construed.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Commission" means the Freedom Commission established by section 4 of this Act; and

(2) The term "Academy" means the Freedom Academy established by section 6 of this Act.

ESTABLISHMENT OF THE FREEDOM COMMISSION

SEC. 4. There is established in the executive branch of the Government an independent agency to be known as the Freedom Commission which shall be composed of six members and a chairman, each of whom shall be a citizen of the United States. The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chairman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission, and a quorum for the transaction of business shall consist of at least four members present. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct. The Commission shall have an official seal which shall be judicially noticed.

MEMBERSHIP OF THE COMMISSION

SEC. 5. (a) Members of the Commission and the Chairman shall be appointed by the President, by and with the advice and consent of the Senate. Not more than four members, including the Chairman, may be members of any one political party. In submitting any nomination to the Senate, the President shall set forth the experience and qualifications of the nominee. The term of each member of the Commission, other than the Chairman, shall be six years, except that (1) the terms of office of the members first taking office shall expire as designated by the President at the time of the appointment, two at the end of two years, two at the end of four years, and two at the end of six years; and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. The Chairman shall serve as such during the pleasure of the President, and shall receive compensation at the rate of \$20,500 per annum. Each other member of the Commission shall receive compensation at the rate of \$20,000 per annum. Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(b) No member of the Commission shall engage in any business, vocation, or employment other than that of serving as a member of the Commission.

ESTABLISHMENT OF THE FREEDOM ACADEMY; PRINCIPAL FUNCTIONS OF THE COMMISSION AND ACADEMY

SEC. 6. The Commission shall establish under its supervision and control an advanced research, development, and training center to be known as the Freedom Academy. The Academy shall be located at such place or places within the United States as the Commission shall determine. The principal functions of the Commission and Academy shall be:

(1) To conduct research designed to improve the methods and means by which the United States seeks its national objectives

in the nonmilitary part of the global struggle. This should include improvement of the present methods and means and exploration of the full range of additional methods and means that may be available to us in both the Government and private sectors. Special attention shall be given to problems of an interdepartmental nature and to problems involved in organizing and programing the full spectrum of methods and means potentially available in the Government and private sectors in an integrated, forward strategy that will systematically develop and utilize the full capacity of the United States to seek its national objectives in the global struggle, including the defeat of all forms of Communist aggression and the building of free, independent, and viable nations.

(2) To educate and train Government personnel and private citizens so as to meet the requirements set forth in section 2(a) (7) of this Act. The Academy shall be the principal Government interdepartmental, educational, and training center in the nonmilitary area of the United States global operations. Authority is also granted to educate and train foreign students, when this is in the national interest and is approved by the Secretary of State.

(3) To provide leadership in encouraging and assisting universities and other institutions to increase and improve research, educational, and training programs attuned to the global operational needs of the United States.

(4) To provide leadership, guidance, and assistance to the training staffs of Government agencies handling United States global operations, including training programs conducted at overseas posts.

(5) To provide a center where officers and employees of Government agencies, as well as private citizens, can meet to discuss and explore common and special elements of their problems in improving United States capabilities in the global struggle.

STUDENT SELECTION; GRANTS; ADMISSION OF FOREIGN STUDENTS

SEC. 7. (a) Academy students, other than Government personnel, shall be selected, insofar as is practicable and in the public interest, from those areas, organizations, and institutions where trained leadership and informed public opinion are most needed to achieve the objectives set forth in section 2(a) (7) IV and V. Persons in Government service coming within the provisions of the Government Employees Training Act may be trained at the Academy pursuant to the provisions of said Act. All agencies and departments of Government are authorized to assign officer and employees to the Academy for designated training.

(b) The Commission is authorized to make grants to students and to pay expenses incident to training and study under this Act. This authorization shall include authority to pay actual and necessary travel expenses to and from the Academy or other authorized place of training under this Act. The Commission is authorized to grant financial assistance to the dependents of students who hold no office or employment under the Federal Government during the time they are undergoing training authorized under this Act. Grants and other financial assistance under this Act shall be in such amounts and subject to such regulations as the Commission may deem appropriate to carry out the provisions of this Act.

(c) Foreign students selected for training under this Act shall be admitted as nonimmigrants under section 101(a) (15) (F) of the Immigration and Nationality Act (8 U.S.C. 1101(a) (15) (F)) for such time and under such conditions as may be prescribed by regulations promulgated by the Commission, the Secretary of State, and the Attorney General. A person admitted under this section who fails to maintain the status under which he was admitted, or who fails to depart

from the United States at the expiration of the time for which he was admitted, or who engages in activities of a political nature detrimental to the interest of the United States, or in activities in conflict with the security of the United States, shall, upon the warrant of the Attorney General, be taken into custody and promptly deported pursuant to section 241, 242, and 243 of the Immigration and Nationality Act (8 U.S.C. 1251, 1252, and 1253). Deportation proceedings under this section shall be summary and findings of the Attorney General as to matters of fact shall be conclusive. Such persons shall not be eligible for suspension of deportation under section 344 of such Act (8 U.S.C. 1254).

INFORMATION CENTER

SEC. 8. The Commission is authorized to establish an information center at such place or places within the United States as the Commission may determine. The principal function of the information center shall be to disseminate, with or without charge, information and materials which will assist people and organizations to increase their understanding of the true nature of the international Communist conspiracy and of the dimensions and nature of the global struggle between freedom and communism, and of ways they can participate effectively toward winning that struggle and building free, independent, and viable nations. In carrying out this function, the Commission is authorized to prepare, make, and publish textbooks and other materials, including training films, suitable for high school, college, and community level instruction, and also to publish such research materials as may be in the public interest. The Commission is authorized to disseminate such information and materials to such persons and organizations as may be in the public interest on such terms and conditions as the Commission shall determine.

DISCLOSURE OF INFORMATION

SEC. 9. Nothing in this Act shall authorize the disclosure of any information or knowledge in any case in which such disclosure (1) is prohibited by any other law of the United States, or (2) is inconsistent with the security of the United States.

SECURITY CHECK OF PERSONNEL

SEC. 10. (a) Except as authorized by the Commission upon a determination by the Commission that such action is clearly consistent with the national interest, no individual shall be employed by the Commission, nor shall the Commission permit any individual to have access to information which is, for reasons of national security, specifically designated by a United States Government agency for limited or restricted dissemination or distribution until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that employing such individual or permitting him to have access to such information will not endanger the common defense and security.

(b) In the event an investigation made pursuant to subsection (a) of this section develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty or is a questionable security risk, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action.

(c) If the Commission deems it to be in the national interest, the Commission may request the Civil Service Commission to make an investigation and report to the Commission on the character, associations,

and loyalty of any individual under consideration for training at the Academy, and if the Commission shall then determine that the training of such individual will not be in the best interest of the United States, he shall receive no training under this Act.

(d) In the event an investigation made pursuant to subsection (c) of this section develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty or is a questionable security risk, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action.

(e) If the President or the Commission shall deem it to be in the national interest, he or the Commission may from time to time cause investigation of any individual which is required or authorized by subsections (a) and (c) of this section to be made by the Federal Bureau of Investigation instead of by the Civil Service Commission.

GENERAL AUTHORITY OF THE COMMISSION

SEC. 11. (a) In addition to the authority already granted, the Commission is authorized and empowered—

(1) to establish such temporary or permanent boards and committees as the Commission may from time to time deem necessary for the purposes of this Act;

(2) subject to the provisions of subsection (b) of this section, to appoint and fix the compensation of such personnel as may be necessary to carry out the functions of the Commission;

(3) to conduct such research, studies, and surveys as the Commission may deem necessary to carry out the purposes of this Act;

(4) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act;

(5) to make such expenditures as may be necessary for administering and carrying out the provisions of this Act;

(6) to utilize, with the approval of the President, the services, facilities, and personnel of other Government agencies and pay for such services, facilities, and personnel out of funds available to the Commission under this Act, either in advance, by reimbursement, or by direct transfer;

(7) to utilize or employ on a full-time or part-time basis, with the consent of the organization or governmental body concerned, the services of personnel of any State or local government or private organization to perform such functions on its behalf as may appear desirable to carry out the purposes of this Act, without requiring such personnel to sever their connection with the furnishing organization or governmental body; and to utilize personnel of a foreign government in the same manner and under the same circumstances with the approval of the Secretary of State;

(8) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, or loan, real and personal property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(9) to receive and use funds donated by others, if such funds are donated without restrictions other than that they be used in furtherance of one or more of the purposes of this Act;

(10) to accept and utilize the services of voluntary and uncompensated personnel and to provide transportation and subsistence as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons serving without compensation;

(11) to utilize the services of persons on a temporary basis and to pay their actual and necessary travel expenses and subsistence and, in addition, compensation at a rate not to exceed \$50 per day for each day spent in the work of the Commission.

(b) The personnel referred to in subsection (a) (2) of this section shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws. No such personnel (except such personnel whose compensation is fixed by law, and specially qualified professional personnel up to a limit of \$19,000) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee.

GENERAL MANAGER OF THE COMMISSION

SEC. 12. The Commission is authorized to establish within the Commission a general manager, who shall discharge such of the administrative and executive functions of the Commission as the Commission may direct. The general manager shall be appointed by the Commission, shall serve at the pleasure of the Commission, shall be removable by the Commission, and shall receive compensation at a rate determined by the Commission, but not in excess of \$18,000 per annum.

ADVISORY COMMITTEE

SEC. 13. (a) To assure effective cooperation between the Freedom Academy and various Government agencies concerned with its objectives, there is established an advisory committee to the Freedom Academy (referred to hereinafter as the "Committee"). The Committee shall be composed of one representative of each of the following agencies designated by the head of each such agency from officers and employees thereof: The Department of State; the Department of Defense; the Department of Health, Education, and Welfare; the Central Intelligence Agency; the Federal Bureau of Investigation; the Agency for International Development; and the United States Information Agency.

(b) Members of the Committee shall elect a member to serve as Chairman of the Committee. The Chairman shall serve for such a term of one year. The chairmanship shall rotate among the representatives of the agencies who comprise the membership of the Committee.

(c) No member of the Committee shall receive compensation for his services as such other than that received by him as an officer or employee of the agency represented by him. Each member of the Committee shall be reimbursed for expenses actually and necessarily incurred by him in the performance of duties of the Committee. Such reimbursements shall be made from funds appropriated to the Freedom Commission upon vouchers approved by the Chairman of the Committee.

(d) The Committee shall—

(1) serve as a medium for liaison between the Freedom Commission and the Government agencies represented in the Committee;

(2) review from time to time the plans, programs, and activities of the Freedom Commission and the Freedom Academy, and transmit to the Commission such recommendations as it may determine to be necessary or desirable for the improvement of those plans, programs, and activities;

(3) meet with the Freedom Commission periodically, but not less often than semi-annually, to consult with it with regard to the plans, programs, and activities of the Freedom Commission and the Federal Academy; and

(4) transmit to the President and to the Congress in January of each year a report containing (A) a comprehensive description of the plans, programs, and activities of the Commission and the Academy during the preceding calendar year, and (B) its recommendations for the improvement of those plans, programs, and activities.

(e) The Committee shall promulgate such rules and regulations as it shall determine to be necessary for the performance of its duties.

(f) The Commission shall furnish to the Committee without reimbursement such office space, personal services, supplies and equipment, information, and facilities as the Committee may require for the performance of its functions.

APPROPRIATIONS

SEC. 14. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

Mr. MUNDT. Mr. President, these tactics of the State Department, dilatory in nature, doubtful in wisdom, can wear down some of the proponents of reform who operate independently of tax support.

The State Department is a permanent fixture. Its array of individuals can continue to do nothing and get paid for it, whereas those who advocate doing something in the field of thoroughly training our overseas personnel must do it at their own expense. The State Department receives its appropriation annually. Operating income is no problem. A delay of several years works against the continuing ability of persons working for reforms from the outside. Their assets are limited, and they can last only so long. The utter frustration of trying to move the immovable must surely seem completely futile.

Symbolic of this frustration is the recent announcement of the dissolution of the Orlando committee, at Orlando, Fla. After working hard for 13 years, the committee has been dissolved. I believe that all Americans should read the statement issued by the committee on its dissolution. I ask unanimous consent to insert at this point in the CONGRESSIONAL RECORD, in its entirety, that statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Orlando Committee for the Freedom Academy is disbanding today and will no longer actively seek passage of the Freedom Academy bill, S. 414, H.R. 5638.

Several reasons lay behind the decision unanimously approved by the committee Thursday night (October 11, 1963).

First, the administration, and in particular the Department of State, is now actively opposing the bill. This means there is little chance of passing the legislation in a form acceptable to the committee.

Second, we have reluctantly concluded that even if the bill is passed, it is unlikely this administration, as presently oriented, will establish the type of Academy envisioned by the Orlando committee and described in its "Green Book" and the supplement thereto. The State Department has developed a narrow, inhibited, and essentially defensive strategy in the global conflict. It has shown little interest in exploring the whole new range of methods and means by which we could seek our global objectives and has been satisfied to leave the Communists uncontested on much of the political, ideological, and organizational battlegrounds. State has

proven especially inhibited, defensive, and even uninterested in the extraordinary opportunities for providing Academy training to foreign nationals, toward exploring the unlimited and exciting possibilities for private sector participation in the global conflict, or even toward providing true professional training for its own people in the new forms of struggle. State does not even seem to understand why the training it is providing at the Foreign Service Institute is grossly inadequate. Unfortunately, the State Department's attitude has permeated the administration, and as long as this attitude and lack of interest prevails, it would likely be reflected in appointments to the Freedom Commission and Freedom Academy. The Freedom Academy cannot succeed unless there is appreciation of the nature of the research and training gap and a driving desire to close it.

Third, the State Department has put out grossly inaccurate interpretations of the Freedom Academy bill well calculated to mislead the Congress and public. Certain officers at State have even suggested the Freedom Academy is the product of the far right-wing. This is most discouraging to the Orlando committee which has been carefully bipartisan and has enlisted the support of outstanding liberals, moderates, and conservatives. It has made it difficult to debate the bill on its merits.

Fourth, although the Orlando committee has made available extensive briefing material spelling out the cold war research and training gap and explaining the bill, few have studied this. Until more people do their homework, there can be no adequate debate on the merits, and the Congress and the country cannot be alerted to the research and training gap which is undermining our entire effort in the global struggle.

Finally, the 13-year effort to establish the Freedom Academy has exhausted the personal finances of key members of the Orlando committee, and it is now mandatory they return full time to their professions and businesses.

The committee believes the need for the Freedom Academy is more urgent than ever. We do not believe the United States can either contain or defeat the Communist drive for world dominion, much less achieve other objectives, unless we systematically develop our full national capacity to compete in the new forms of struggle along the lines suggested in the "Green Book."

Our committee believes it has done about all it can. The bill is now pending before the Senate Foreign Relations Committee and the House Committee on Un-American Activities. It is now up to these committees and the House Foreign Affairs Committee to determine what type of bill, if any, is reported out.

What is really needed, however, is a major policy change by this administration. As long as our leadership is satisfied to leave the Communists uncontested on much of the political, ideological, and organizational battlegrounds, as long as they are content to pursue our global objectives, using only a small percentage of the instruments potentially available to us, as long as they persist in responding to the Soviet challenge on a piecemeal, ad hoc basis, as long as they are satisfied to oppose professional conflict managers with untrained and often unmotivated amateurs, as long as they persist in unilateral disengagement in the nonmilitary conflict to mollify our enemies, then there can be no Freedom Academy.

Someday this Nation will recognize that global nonmilitary conflict must be pursued with the same intensity and preparation as global military conflict. With that realization, the Freedom Academy may come into being. We can only hope it is not too late.

The committee wishes to emphasize that the administration's bill to establish a National Academy of Foreign Affairs is most

inadequate and in no way should be considered a substitute for the Freedom Academy. The committee has outlined its objections to this bill at the Senate hearings and in supplement No. 1 to the green book.

The committee wishes to thank the House and Senate sponsors and in particular Senators Mundt, Dodd, and Douglas who carried the load in the 86th, 87th, and 88th Congresses, and Syd Herlong and Walter Judd, who introduced the original bill in the House in February 1959. We also wish to thank the many newspapers and organizations who endorsed the bill and the editors of *Life*, *the Reader's Digest*, and *Saturday Evening Post*, who gave editorial support, and Roscoe Drummond, for a series of fine columns. Our thanks also to the Senate Judiciary Committee for its report of June 1960, calling the Freedom Academy bill "one of the most important bills ever introduced in the Congress."

Locally, we wish to thank the many individuals and organizations who contributed time, money, and moral support.

THE ORLANDO COMMITTEE FOR THE
FREEDOM ACADEMY.

Mr. MUNDT. Mr. President, at this discussion of the future of the foreign aid program, the administration and the State Department are forced to meet the moment of truth. Finally they have found out that while they have been able to dissuade those of us who through the years have been trying to establish an efficient and sufficient training academy, while they have been able to resist efforts of fine, independent groups, like the Orlando committee, various posts of the American Legion, and many other organizations and groups who have been urging Congress to do something toward the establishment of the Freedom Academy, and while they have been able to stop anything from developing, they now confront the ugly fact that Americans are losing confidence in the whole foreign aid concept.

Their bill has hit a roadblock for the first time in the Senate. Senators who unthinkingly went along year after year, Senators who complacently went along, feeling that they owed it to the State Department, and that they should do it as a matter of party loyalty, are now in open rebellion against the kind of program that they have been asked to support and espouse in recent years.

Finally, the country as a whole, and Members of Congress realize the futility of adding additional billions to what we have already spent. Everyone knows that we cannot win a war with amateurs against professionals. Still, the State Department lamely continues its opposition and refuses to do anything substantial in the direction of equipping and adequately training Americans who serve the Government overseas, at least with a modicum of the kind of training that is given extensively to the Communist opponents whom they must confront and whom it is their job to try effectively to resist.

First it was the country that rose up in arms against trying to win a decision with dollars alone, when we did not have the trained personnel to spend the money wisely. Then it was the House of Representatives, where, surprisingly, and gratifyingly, some substantial cuts were made in the foreign aid authorization bill. Now the bill is before the Senate.

The pushover Senate is not to be pushed over any more. We, too, are accountable to the public. We, too, have seen the evidence. We, too, know that we will not win unless we try, and that the first step in trying is to have our personnel carefully, completely, and specifically trained to bring about victory.

It seems to me that it is increasingly observed that there are, very possibly, evil consequences to be suffered by this country and its interests by reason of our continuing to add more money to be spent for some undesirable things to be done in the same ineffective way, and by the same people with the same lack of background training, from which they have already suffered for too long.

It is highly desirable in the Senate action on the pending bill that the foreign aid authorization be sharply curtailed, to show the State Department that the Senate recognizes the fact that the unplanned programs of economic aid and the cold war contest being conducted by untrained personnel have already been demonstrated to be futile.

Even the report from the Senate Committee on Foreign Relations, which rather unenthusiastically urges the Senate to approve its recommendations, points out that the committee also believes that the program should be curtailed and changed, and perhaps eliminated by the end of the next fiscal year, and that something should be evolved in its place. Therefore Congress should reduce the appropriations.

I join those who say that we need to write into the bill a terminal date for foreign aid in order to open the entire question, so that next year there will be before Congress the product of studies which should begin now, to determine how best to exercise our leadership and meet our responsibilities in world affairs.

We all recognize that we cannot pull out of the world. The neutrals and our friends need our support and assistance overseas. Many need our guidance. We must continue our efforts to curtail the aggressive acts of international communism and restore freedom to the areas which it has already enslaved.

The world and the American taxpayer both deserve a program which is effective, which is implemented by personnel who are trained and competent. They need a program which is planned and implemented by professionals, and not merely proposed and promoted by enthusiastic, well-intentioned but inadequately trained amateurs.

The only course to follow in communicating with this see-no-evil, hear-no-evil, feel-no-evil State Department group charged with the implementation of our foreign policy, whose only solution is always, "Give us money, give us billions, and our amateurs will do the job," is to bring the present program to a halt, to stop it; and, having stopped it, to write a new type of program, which will encourage countries to help themselves by utilizing the techniques and talents made available to them, to learn to do for themselves by doing, instead of continuing a program under which we try to do things for them, the doing of which in many cases is not prudent or proper, and frequently not even necessary.

Above all, we need the type of trained American personnel operating abroad that the operation of an American Freedom Academy can provide.

As we evolve a new program which can work, we shall be training the workers who can make it succeed, we shall be substituting manpower for money, we shall be substituting professionals for amateurs, and we shall be looking to the development of victory, instead of the perpetuation of defeat.

We should reduce appropriations sharply, so that the voice of Congress can finally be heard at the other end of the avenue. We should write in a terminal date, which will make the administration come forth with something better—not a terminal date to try to shoulder off our responsibility of world leadership, but one which will put us into the cold war contest with trained personnel and with a program which makes sense, which concentrates on the target, which ceases to waste the public funds, and which will begin to win victories around the world.

One reason why I voted for the recommitment of the bill a week ago today, and why I shall continue both in the authorization bill and in the appropriation bill, where, as a member of the Committee on Appropriations, I anticipate even more gratifying results, to press for reductions in the excessive expenditures provided by the foreign aid bill, is to help to improve our program, which is deteriorating before our eyes, for reasons that are so apparent that we could discover them at midnight, in the basement of a house, with the lights turned out. We know the evidence; we know the reasons; and so does the country generally.

We are only continuing, as we have done in the past, a program which constitutes a complete violation of our responsibility in the Senate and a confession of our failure to meet the needs of our time. Our constituents have a right to expect from us something more consistent, something more constructive, than the perpetuation of a failure and the provision of additional funds for those who have demonstrated their inability to spend the previous hundred billion dollars wisely—not with bad intentions, but because they have not been sufficiently and specifically trained for the job because our Government has completely failed to provide something like a Freedom Academy to train them. The report of the Committee on Foreign Relations itself recognizes the failure of the foreign aid program.

Mr. President, I ask unanimous consent to have printed at this point in the *RECORD* excerpts from pages 4 and 5 of the committee report.

There being no objection, the excerpts from the report (Rept. No. 588) were ordered to be printed in the *RECORD*, as follows:

In the past the committee has been disappointed by certain aspects of a foreign aid program. There have been instances of failure and inefficiency in the field, administrative and organizational shortcomings, imbalance in the kinds and amounts of aid expended to certain countries, overgenerosity

to some recipients and the neglect of other, more deserving recipients, the proliferation of aid programs—especially military aid programs—to an ever-growing number of countries, and inexplicable delays in terminating assistance to countries which no longer need it or which have failed to make productive use of it.

The committee is less impressed with the case made by the executive branch for the maintenance of U.S. aid programs, even on a small scale, in virtually every underdeveloped country in the free world and in a few developed or relatively developed countries. The committee sees little merit in aid programs whose sole or major justification is the maintenance of a U.S. "presence" or the demonstration of U.S. "interest." It is equally unenthusiastic about aid programs, both military and economic, whose major purpose is to provide an alternative to Soviet bloc aid.

Mr. MUNDT. Mr. President, the committee report concludes that our best step from here is to continue to proceed to finance existing failures while trying to continue to improve the program. I disagree with the language of the report and the opinion of members of the Committee on Foreign Relations who approve it. I believe we serve America poorly and jeopardize our leadership around the world by following the counsel of those who say, "Although the program is failing, let us give it additional billions of dollars so that the failures can be more widely heralded and the program can fail more emphatically."

The State Department ought to be working with Congress to evolve a training system and to develop training facilities so that there will be at least the possibility of success.

No other measure is awaiting immediate consideration on the Senate floor. I serve on the Committee on Appropriations. The Senate has thus far passed five appropriation bills. All the appropriation bills should have been approved by July 1, which is the beginning of the fiscal year. Eight appropriation bills remain to be passed. No one has put pressure upon me as a member of the Committee on Appropriations to hurry and mark up bills or to attend conferences between members of the two Houses. Time rolls along.

As a Member of the Senate who feels that already too much money is being spent, and spent too rapidly, I am perfectly content to let the appropriation bills wait until next March.

I am the author of language in our Appropriations Committee report which provides that some economy is being involuntarily effectuated every day we wait, because the increases cannot be spent except on the basis of the time remaining in the fiscal year. So if no one in the administration is in a hurry to have appropriation bills passed—and no one appears to be—it is not necessary to worry about spending a little extra time debating what to do about foreign aid. Surely, our legislative calendar is far from crowded.

Peace is our most cherished goal. The hazards of failure in the cold war are our most significant problem. I am glad we are working at this task on the Senate floor and are taking sufficient time to do it.

It seems to me that we should take steps on the Senate floor, even at this late date, to make certain that the program is turned in the right direction and that it is hereafter designed to reach the targets expected of it.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "The Real Red Threat," written by Drew Middleton, and published in the New York Times of November 8, 1963. The article emphasizes the fact that if we are to win the cold war—which we must win if we are not to fight a hot one—we will win it because of the political successes which we have overseas, the economic successes, and our victories in the cold war, rather than by merely providing a constantly increasing number of armaments to rival countries so that they can shoot it out with one another in little, localized wars, which ultimately we will be called upon to settle either with our manpower and military might or by our counsel and our guidance.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REAL RED THREAT—SOME IN EUROPE SEE IT AS POLITICAL AND SAY THE UNITED STATES OVEREMPHASIZES ARMS

(By Drew Middleton)

PARIS, November 7.—Which face of communism is the bigger threat to the West? The Soviet general with his finger near the "go" button or the party agitator with a pocketful of plans for economic revolution? A dispute over whether the military or the political danger is the graver has arisen at the meeting of members of parliaments of countries in the North Atlantic Alliance. The difference of opinion seems to be more than a squabble over East-West trade, or whether there should be an Atlantic Assembly. The latter, an American proposal, would organize the present group of parliament members into a representative body for the North American Alliance.

Much of the criticism of U.S. willingness to discuss outstanding military issues with the Soviet Union, and even of the nuclear test ban treaty arises from this difference over which aspect of communism is the true and immediate danger to Europe.

Washington is criticized for being too interested in the military side of the Communist problem. Such criticism includes the administration's readiness to discuss with Moscow such issues as the prevention of surprise attack and a nonaggression agreement between the Atlantic Alliance and the Warsaw Pact Powers of the Soviet bloc.

One legislator said the United States was obsessed with the question of troop strength in Europe.

ITALIAN AND FRENCH PROBLEMS

The critics come mainly from countries such as Italy, which has a Communist political problem, or France, where there is danger of a re-creation of a popular front representing the Communist and Socialist movements.

Acute apprehension is shown by Mediterranean members of the alliance over the trend in Greece. The feeling is that communism may have spent its political force in the United States, Britain, Canada, West Germany, Norway and Denmark, but that it is alive and kicking—and dangerous—in the Mediterranean.

The United States, it is said, takes the political health of Europe for granted.

Washington tends to think, the critics say, that in prosperous Europe the Communists represent parties of protest rather than

of revolution. In their view this is exactly what the Communists want the United States to believe.

"But let a Communist Party gain power, or even share power in a coalition," said one member of a parliament, "and you Americans will be quickly reminded of the true aims of communism. All the divisions or Polaris submarines in Europe won't prevent the Communists from taking that country out of NATO."

CONTRIBUTIONS CITED

Some may suggest that putting forward this emphasis on communism's political potential is a way of avoiding fulfillment of military commitments to the North Atlantic Treaty Organization.

But Italy is participating in talks on formation of a mixed-manned force.

Greece, which is sitting in on these talks, makes a contribution to the treaty organization's conventional forces is straining her resources.

Those who criticize American policy are not seeking relaxation of the defense effort in Europe. What they want is recognition by Washington that discussions with Moscow on easing military tension are likely to strengthen the Communist parties where those parties are a conceivable alternative to present governments.

Mr. DOMINICK. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am happy to yield to the Senator from Colorado.

Mr. DOMINICK. I join the Senator from South Dakota in the views he has expressed concerning the Freedom Academy, particularly.

Mr. GRUENING. Mr. President, I am glad to yield to the Senator from Colorado. I have the floor.

Mr. DOMINICK. I beg the Senator's pardon; I appreciate his courtesy.

This phase of our foreign policy has been neglected for so long that it seems to me to be imperative that we give it serious consideration if we are to get back on the right track in our overall war on communism and do something toward establishing a Freedom Academy.

In the 3 years that I have been a Member of Congress, I have been a supporter of a foreign service academy designed to enable the State Department and all other branches of the Government which have overseas operations to obtain qualified personnel, capable of handling the work to which they are assigned, whether it happens to be in the Federal Aviation Agency, the Department of Commerce, or any other branch of the Government. The theory is that people so trained, particularly when they are on a borderline, close to the Communist conspiracy, are just as much subject to Communist problems as they would be in the State Department, in the foreign aid program, or any other field.

I testified before the subcommittee on behalf of the bill which was considered and revised, the so-called Kennedy expansion of the Foreign Service Institute. At that time, the chairman of the committee, the distinguished Senator from Missouri, indicated that he also felt that the Freedom Academy and the Foreign Service Academy were institutions which ought to be considered by the Senate, but that because of opposition from the Department of State and the administration, he was required by party loyalty

to use only the recommendations that were made through the State Department. It seems to me that that is arrant nonsense, so far as the State Department is concerned. We are trying to improve the quality of the personnel who will be called upon to handle these programs, rather than to diminish it. We are trying to enhance the prestige of the State Department, throughout the country, which prestige, frankly, in my opinion, could not be any lower than it is now. We must take some steps to establish a Freedom Academy; and if there is anything I can do to support the distinguished Senator from South Dakota, I shall be glad to do it.

Mr. MUNDT. I appreciate the Senator's statement, and I appreciate even more his assurances of support, because I know that his support on any project or program is something of real substance and significance.

I recall the Senator's brilliant testimony before the committee. We were dealing with the general subject of improving personnel and providing expanded training facilities for those who serve this country overseas.

I share with the Senator from Colorado the regret that nothing along that line has occurred. It is much more important that we convince the State Department that it cannot win the cold war without such trained personnel, whether we appropriate \$3 billion or \$30 billion, more or less, in the foreign aid program for the future.

As I said earlier, I speak as one who has voted for far more foreign aid than I have opposed, starting with the point IV program. But I shall vote against the current authorization bill, when the final rollcall vote is taken. I shall vote against it because I know of no other way in which I can express an effective and clearcut opposition to continuing a program of spending billions of dollars overseas for programs which have not been synthesized or targeted together or coordinated, and for the administration of which we have entirely failed to meet the challenge of providing an updated, coordinated, completely adequate training facility so those who serve us overseas can be equipped with the proper tools and skills.

I may vote in favor of the foreign aid appropriation bill, when it comes before the Senate, for I am not opposed to the foreign aid concept, if by that time we can get from the State Department instead of having it sulk in its marble tepee—an understandable and acceptable king-sized training program. In that case, I may vote, and may try to influence other Senators on our Appropriations Committee to vote, in favor of appropriate foreign aid funds.

But I shall vote against the pending authorization bill, because I know of no other way by which to demonstrate my determination not to have the United States continue to throw away such large sums of the money of the American people, particularly when that program frequently renders us a disservice, rather than a service.

Mr. President, let me make my position crystal clear. What this country

badly needs is a Freedom Academy in which our overseas Government personnel, private citizens, and, on occasion, freedom-supporting people from other lands can be trained in depth and in detail about the whole concept of cold war strategy and how to defeat communism by means short of war.

Communist Russia operates six well-established training institutes to train its own nationals and many visitors from other lands in the techniques the Communists employ in undermining and in weakening freedom wherever it prevails. Here in the United States we have totally failed to develop and utilize a single institute or training facility to provide those on our side of this cold war with equal competence and know-how and with compensatory training in the best techniques for defeating the Communist thrusts against freedom and in making some positive moves of our own.

We have our splendid service academies for the Army, the Navy and the Air Force. Surely nobody advocates closing up the training facilities provided at West Point, Annapolis, and Colorado Springs. We have our War College to train and equip our military leaders and to keep them current on the needed know-how. But in our effort to win the cold war, I repeat Mr. President, we have failed completely to tool up our training facilities to meet the modern, peacetime challenges of communism.

We need such a training facility as the Freedom Academy. We have needed it for years. We desperately need it now. We cannot win our cold war against communism with dollars alone. This Senate and this Congress should insist that the State Department and the White House recognize the realities of the world in which we live and help develop the training facilities which we so badly need.

Mr. DOMINICK. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I am glad to yield to the Senator from Colorado.

Mr. DOMINICK. I point out that a recent item on the news ticker states that the Secretary of State has severely criticized the Senate for its action in connection with the foreign aid authorization bill, particularly for the restrictions it has placed on aid to Indonesia and Yugoslavia.

The question is, What will the Senate do to determine the kind of foreign policy the United States should have? It seems to me there could not be a better forum than this in which to express the irritation of the Senate and of the American people in general about giving U.S. aid to countries which in many cases are not in favor of the United States and are in favor of our enemy. I believe this is the best place in which to express our opinion on that score.

Mr. MUNDT. Mr. President, I am much interested in that news ticker item, because it is clear evidence that the State Department is now forewarned of our intent.

I recall sitting as a member of the Foreign Relations Committee—whether in open session or in executive session makes no difference, in this respect—at

a time when I said to Secretary Rusk, "You had better get busy training some personnel and leadership and establishing an overall training organization in depth or you will have trouble when the bill comes up on the floor of the Senate." I remember that the Senator from Oregon and the Senator from Missouri said the same thing. However, the State Department officials decided to "bull it through"; their attitude was, "Why change? We have spent \$100 billion of the money of the American people, up to now; and surely we can get another \$3 or \$4 billion at this time." But, Mr. President, they cannot do it that easily any more. Congress is beginning to live up to its responsibility.

Mr. GRUENING. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. GRUENING. In connection with the comment about criticism by Secretary Rusk, he does not realize that before the Marshall plan was established, it was understood that the function of the Senate in connection with foreign affairs was merely to give its advice and consent to treaties and to the nominations of Foreign Service personnel, and nothing else; but today Congress also has a definite responsibility to decide how the foreign aid funds are to be spent. It is both our legislative duty and our constitutional obligation to debate these matters, and the Secretary of State should realize that.

Therefore, I think the action taken yesterday by the Senate, although it was overdue and was taken belatedly, was very necessary; and I hope we continue to watch where such large amounts of the taxpayers' money go, in connection with our foreign aid program.

Mr. DOMINICK. Mr. President, I thoroughly agree with the Senator from Alaska.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. HUMPHREY. I do not believe the personnel in our Foreign Service are untrained. The Foreign Service personnel I have met are exceedingly well trained, better trained than some of their critics. I do not believe we shall provide for a better Foreign Service by establishing a Foreign Service Academy.

I have long protested, in connection with the Foreign Service, what we call the Ivy League clique. It seems to me it would be a good idea to have in the Foreign Service people from all parts of the country who have a genuine appreciation of American life and its many facets and different cultures.

For example, I believe that the American University, in the Nation's Capital, with its school of international relations, prepares people very well for the Foreign Service. Likewise, I do not believe that all the good generals graduated from West Point. Many of them came from VMI or Texas A. & M. or from colleges with ROTC units. I believe that the Georgetown University Foreign Service School is one of the great foreign service schools in the world; and I believe that Leland Stanford University graduates some fine people who are trained for the field of foreign service.

So I do not believe we do our country any service by alleging that those who work in the State Department are incompetent and incapable of doing their jobs. They are extremely competent. Some of them may not be as competent as we would like them to be, but certainly the same may be said of any office which any one of us manages or of any business in which any of us may be engaged.

I would support a program for the establishment of an academy for training in Foreign Service. I have said so many times. But I do not believe it would answer all our problems—not by a long shot.

Furthermore, I do not believe that in connection with requesting the establishment of an academy for training in Foreign Service, Senators need to "downgrade" those who are now in the Foreign Service. There are many good people in our Foreign Service, and I do not believe it is a good idea to spread across the world statements to the effect that the State Department wastes billions of dollars because of incompetent personnel.

In the Foreign Service there are men who have given their lives and also the lives of their families to their country. In fact, when the Government hires a Foreign Service officer, it generally gets two for one—both the Foreign Service officer and his wife; and the wives of our Foreign Service officers lead voluntary organizations and do excellent jobs in carrying the philosophy of this country to many parts of the world.

I know what is happening to the foreign aid authorization bill. We can cut it or we can defeat it; and apparently there is among the Members of this body a passion to do something to the foreign aid authorization bill to change it drastically. Some think the foreign aid program should not even be permitted to continue.

Be that as it may, Mr. President, I do not believe that in the process of amending the bill we are required to "run down" the Foreign Service public servants. If I were a Foreign Service officer, I would deeply resent such an attack. Some of the Foreign Service officers go to parts of the world where a Senator would not be willing to go, even if he were paid 10 times his present salary. The Foreign Service officers go to their posts like soldiers; and I am not going to remain silent when attempts are made to rip the Foreign Service to pieces—to downgrade and attack and criticize it unfairly.

I want Senators who criticize it to name the Foreign Service officer who is charged with wasting money. I ask the Senator from South Dakota to give me a bill of particulars. What Foreign Service officer is wasting money? Is the Senator from South Dakota talking about Secretary of State Acheson or Secretary of State Dulles or Secretary of State Herter or Secretary of State Rusk? About whom is the Senator from South Dakota talking? What Foreign Service officer does he mean?

If a Senator is going to criticize, instead of criticizing a whole class of Government employees, he should name the

ones to whom he refers. However, I do not think Senators can name very many responsible Foreign Service officers who have "sold out" this country or have been guilty of mismanagement or misconduct or are incompetent.

In the last few years we have done a great deal to elevate the Foreign Service and to improve and raise the standards.

I have a son who hopes to enter the Foreign Service. At this time he is studying for the Foreign Service; and I resent having the Foreign Service criticized in such fashion. I do not believe that is the way to recruit good people for the Foreign Service. I do not want my son to read, in the CONGRESSIONAL RECORD, charges that the Foreign Service is incompetent and wastes millions of dollars.

I demand a bill of particulars. When the Senator can show me the names of the individuals, and show me the people who have been guilty of the colossal waste charged because they were incompetent or stupid or untrained, I shall be willing to buy the argument. Until then I resent it. I think it is an unfair argument.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. GRUENING. Mr. President, I call up my amendment No. 232.

The PRESIDING OFFICER (Mr. NELSON in the chair). The amendment of the Senator from Alaska has been offered and stated, and is now pending before the Senate.

Mr. MUNDT. Mr. President, I think I still have the floor.

The PRESIDING OFFICER. Does the Senator from Alaska yield further to the Senator from South Dakota?

Mr. GRUENING. Mr. President, I am glad to yield to the Senator from South Dakota. I hope his remarks will be brief.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Who has the floor?

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. FULBRIGHT. By what right does the Senator yield?

Mr. GRUENING. By unanimous consent I yielded to the Senator from South Dakota.

The PRESIDING OFFICER. Is there objection to the Senator from Alaska yielding further to the Senator from South Dakota?

Mr. FULBRIGHT. I object.

Mr. MUNDT. Mr. President, the objection comes about an hour too late. By unanimous consent the Senate has already agreed that the Senator from Alaska would yield to me so that I could present my position, and after I had concluded, the floor was to revert to the Senator from Alaska. I have not concluded because I wish to respond to the Senator from Minnesota. The objection of the Senator from Arkansas would have

been highly appropriate an hour ago, but not now.

The PRESIDING OFFICER. The Parliamentarian has advised the Chair that the Senator from Alaska has the floor. Unanimous consent is required to enable him to yield to the Senator from South Dakota. The Senator from Arkansas has objected to the request by the Senator from Alaska.

Mr. MUNDT. I should like to know by what parliamentary device the Senator from South Dakota's original understanding with the Senator from Alaska has been vitiated.

The PRESIDING OFFICER. The Parliamentarian has advised the Chair that the Senator from Alaska reasserted his right to the floor when the Senator from South Dakota had concluded his remarks. He now has the floor. Unanimous consent is required for the Senator from Alaska to yield to any other Senator the privilege of the floor.

Mr. GRUENING. Mr. President, the pending business before the Senate is my amendment No. 232.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I am happy to yield.

Mr. MORSE. I assure the Senator from South Dakota that later he will have any time he desires.

Mr. MUNDT. I appreciate that very much. I merely wished to say to my friend, the Senator from Minnesota, that I welcome him in the ranks of those who support the Freedom Academy approach, even though he damned it with faint praise, and even though understandably he opposes some of the arguments which I have presented.

I regret that the Senator from Minnesota was not present during the entire discourse I made on the subject. Quite obviously he has based some of his observations on a misapprehension. First, I have never said that the State Department people are not trained. They are not trained in the appropriate tactics and techniques of the cold war.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Who has the floor?

Mr. MUNDT. I think the Senator from South Dakota has the floor.

Mr. GRUENING. The Senator from Alaska has not yielded the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. MUNDT. I will be back.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRUENING. Is there a rule that prohibits a Senator from yielding the floor to another Senator without his giving up his right to the floor?

The PRESIDING OFFICER. If a Senator calls for the regular order, the Senator may yield only for a question.

Mr. GRUENING. I am glad to yield to the Senator from Oregon for a question.

Mr. MORSE. Mr. President, would the Senator be willing to yield the floor temporarily, so that I can see if I can obtain

the floor in my own right to put into the RECORD some information that the State Department has just sent me, and make a brief comment on it?

Mr. GRUENING. I would, with the understanding that objection will not be raised and that, as a result of my courtesy in yielding to the Senator from South Dakota, I would not lose my right to the floor.

Mr. MORSE. I did not ask for that. I think we can do business in a somewhat different way. I think the Senator can obtain the floor. I suggest that we try it and see how it works.

The PRESIDING OFFICER. Does the Senator from Alaska ask unanimous consent that he may yield the floor?

Mr. FULBRIGHT. Mr. President, he need not ask unanimous consent to yield the floor.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may yield to the Senator from Oregon with the understanding that I do not lose my right to the floor.

Mr. FULBRIGHT. I object.

Mr. GRUENING. Objection is heard.

Mr. President, my amendment which is cosponsored by the Senator from Wyoming [Mr. SIMPSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Utah [Mr. MOSS], the Senator from Nevada [Mr. CANNON], the Senator from Colorado [Mr. DOMINICK], the Senator from Oregon [Mr. MORSE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Nevada [Mr. BIBLE], and the Senator from Florida [Mr. SMATHERS], is designed to make a realistic loan of the so-called development loans.

Two or three years ago objection was raised and heard in Congress that we were making grants recklessly, wildly and extravagantly. It was argued that we should have loans instead, the thought being that people would then have a sense of responsibility for paying the loans.

Actually the loans turned out to be a kind of fraud on the American people. What were the terms of those loans? Usually 10 years with no payment of either principal or sometimes of interest, and then for the balance of the loan three-quarters of 1 percent.

No such loans were ever known on such a scale before. In the course of that period of generosity we loaned \$1,300 million under the development loan program, the cost of which—even assuming that the loan would be repaid, which is not a certainty—was \$870 million in concealed grants.

I illustrate what I am speaking about by stating a specific example. I was in Cairo last February. While I was there, I was present at the signing by the American Ambassador of a \$30 million loan to Mr. Nasser to build a powerplant in west Cairo. A powerplant is a money-making enterprise. From the time it starts generating and delivering its power the dictator can charge his consumers—his electricity users—any rate that he wishes. Yet the loan provides that for 10 years he shall make no payment whatsoever. Meanwhile we are borrowing money from the American people at about 4 percent, so that in each of those

years it is costing us \$1.25 million, which is the difference between no payment on the part of Nasser and what we have to pay. So in the first 10 years, even before he starts repaying the loan, the Treasury will be out \$12.5 million.

Appreciation of the fact that that procedure is all wrong and is an unsound financial practice is reflected in a couple of rather feeble efforts on the part of the committee to change the situation. The House has provided in section 105 that in no event henceforth, after the bill is enacted, shall the loan be at less than 2 percent per annum. The Senate committee did not go quite so far. The Senate version is a kind of fusion of the two methods. The Senate committee amendment provides that for the first 5 years the rate shall be three-quarters of 1 percent, and then annually thereafter it shall be 2 percent. I argue that that does not meet the situation at all. We may not be going into the hole quite as deep, but we are still going into the hole. I think it is entirely proper that the amendment, which merely provides that we shall exact the going rate, whatever that rate may be at the time the Treasury Department can inform us—whether it be 3¼ percent or 4 percent, plus one-quarter of 1 percent as a carrying charge—henceforth those loans will be valid loans and not at usurious rates of interest.

That is exactly what it costs the American people. That would not only be sound, but it would save the Treasury millions of dollars in the course of the next few years.

The argument will be made that some countries are so poor and conditions are so bad that they cannot afford to pay 4 percent. In those situations we should frankly decide whether or not a grant is justifiable. I would rather have a grant at any time than a phony loan which is both a grant and a loan. In the case of the powerplant there was no excuse whatsoever for making that kind of loan. It should have been a loan from the Export-Import Bank or the World Development Bank on a sound business basis.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, earlier today I expressed concern about the ticker tape report of the press conference of the Secretary of State, and said I would discuss it later.

I have received a transcript of the Secretary of State's press conference, accompanied by a letter from a very able State Department representative of whom we are all fond, the liaison officer of the Secretary with the Congress, Mr. Dutton, in which he says:

I understand you are interested in Secretary Rusk's comments at his press conference this morning in relation to the foreign aid bill pending before the Senate. A copy of the first 10 pages of the transcript is attached. It contains the remarks relevant to foreign aid. The rest of the transcript will be sent to you as soon as it is mimeographed.

I shall read what the ticker said. Then I shall read what the Secretary of State said at the press conference. Then I shall make comments on the two.

The UPI ticker item reads as follows:

Secretary of State Dean Rusk tore into Congress today for trying to alter the course of the administration's foreign policy.

In unusually blunt terms, he said "Congress is trying to 'legislate foreign policy,'" and said the President will get the blame if things go wrong.

Rusk told a news conference that he is "very much disturbed . . . very much concerned" about what he said was a tendency of Congress "to try to build into law attitudes on foreign aid." He said the lawmakers are not held to blame if foreign policy goes sour and "I hope very much Congress will hold its hand."

Rusk particularly criticized Senate attempts during current debate in the legislation, to write restrictions into the pending foreign aid bill to limit or deny assistance to countries such as Yugoslavia, Egypt, and Indonesia.

Referring to moves in the Senate to cut foreign aid outlays drastically, Rusk said, "This is no time to quit. There is too much unfinished business ahead of us."

I shall now read what the Secretary of State actually said, so that the Senate will have not only statements out of context but also statements in full context.

The first part of the press conference did not deal with foreign aid, but dealt with the wheat negotiations. Then the Secretary was asked:

Mr. Secretary, could you give us your appraisal of the situation now in Vietnam?

The Secretary discussed the Vietnam matter. After he finished discussing the Vietnam situation, the following occurred in the press conference:

Question. Could you give us your thoughts on the views in the Senate to restrict aid to Yugoslavia, Egypt, and Indonesia?

Answer. Well, I must say that I am very much concerned about the tendency in the Congress to legislate foreign policy as it might apply to specific situations or specific countries. The legislative cycle moves a year at a time. The world moves very fast. It is not possible for the Congress to anticipate in advance what the circumstances are going to be in any given situation, so I am very much concerned about the tendency to try to build into law attitudes in the use of our aid program, for example, with regard to particular countries.

These are responsibilities carried by the President of the United States. They are very heavy responsibilities. The President is the one whom the country will hold responsible if things go wrong. So I am very much concerned about the loss of flexibility, the loss of any ability to move to protect and forward the interests of the United States wherever they might be engaged anywhere in the world. So I would hope very much that the Congress would withhold its hand and not try to legislate in detail about the application of an aid program to a particular country.

Question. Mr. Secretary, on the larger view of the foreign aid situation, the Congress is in the process of tearing it to shreds; and this is only the authorization. The news is going to be a lot worse when you get to appropriations; this is quite clear.

Now how do you respond to this? You are getting a message, at least they say on the Hill, which tells you, the administration, the Congress is fed up with foreign aid, as it is now being operated.

What do you propose to do about it?

Answer. Well, we are in daily, sometimes hourly, contact with the Congress about this matter. I must say that I don't understand the tendency to cut back on our foreign aid program as deeply as is now being discussed

in the Congress. The large and dangerous questions are still in front of us, whether it is Berlin, or Cuba, or Laos, or Vietnam, or whatever it may be.

There is no detente in the sense that there is a general easing of relations between the free world and the Communist world. There have been some limited and specific agreements, some of them have been important, such as the nuclear test ban treaty. There have been explorations of the possibilities of agreements on other subjects.

But this is no time to quit. There is too much unfinished business ahead of us. The United States has almost a million men outside of the continental limits of the United States, ashore and afloat. We must support those men. They are out to do a job for the free world. And I think they are entitled to have us support them by trying to get the job done without committing them to combat, if possible.

Now we spend gladly—we spend gladly—about \$50 billion a year in our defense budget. I don't see why we can't spend 10 percent of that, if necessary, to get the job done without war, if possible. So I am very much concerned about the general attitude that somehow we can relax, we can cut back on our foreign aid, we can become indifferent to what is happening in other parts of the world. The world is not in that shape at the present time, and effort is still crucial to getting the great job done on behalf of freedom.

The press conference then turned to other subjects. That was all that was said in the press conference in respect to the foreign aid bill.

Although I disagree with some of the points of view of the Secretary, about which I shall comment momentarily, and although I disagree with the conclusions he has reached in connection with foreign aid, he expressed nothing at the press conference this morning that he has not expressed for some time. That has been his position right along, and I respect him for stating it. I do not feel that he "tore into Congress."

This great Secretary of State has a difference in point of view from those of us who do not believe the foreign aid bill will accomplish many of the desired purposes and who believe that the foreign aid bill proposes to continue waste, extravagance and inefficiency, and may promote corruption in some parts of the world.

We have known that this has been the point of view of the Secretary of State for some time. He presented his point of view at the press conference with great dignity, great sincerity, great dedication to his task as he sees his obligations.

Although I am, as the Secretary knows, in great disagreement with him in regard to the position of the State Department and the White House on certain phases of foreign policy, I have nothing but high respect for the Secretary of State's service and for the answers he gave to the press this morning in his typically objective and fair manner, though I disagree with the conclusions in some of his statements.

I shall express myself now on some of the disagreements. The Secretary of State has great responsibilities. He has obligations to the President. A multitude of problems confronts the United States in the field of foreign policy. The Secretary has a tendency to become a

little annoyed because his executive functions must be carried out within the framework of our constitutional checks. I have felt this in connection with his testimony; I have felt it in connection with his briefing before the Foreign Relations Committee; and I feel it in connection with the statement he made to the press this morning in his press conference.

It might be much easier for the executive branch of Government to proceed unchecked in the field of foreign policy if it did not have to deal with Congress. We are an annoying element, to be sure. It happens to be our duty to be annoying if we think the executive branch is following a policy that is not in the best interest of the country. We have the responsibility of viewing and reviewing policies of any executive, at any time, in connection with the question of whether or not there is a wise expenditure of the American taxpayers' dollars and an expenditure of the American taxpayers' dollars for purposes that can be justified.

At that point the Secretary of State has his greatest difficulty in adjusting to the American system of checks and balances, because there is a great tendency on the part of members of the executive branch of Government to take the position that it can have any foreign policy it desires, and that we should not annoy or restrict them or ask too many questions, at least in detail, and that we should not suggest that the public interest calls for the placing of restrictions upon foreign policy.

The interesting thing about the separation of powers doctrine is that the checking powers of Congress are limited, also. We cannot write foreign policy, in the sense that we cannot diplomatically negotiate. We cannot make treaties; we can only approve them. We cannot enter into executive agreements. But we can follow a good many checks, if executive agreements are entered into that we do not think are in the best interest of the public, by exercising our power over the purse. Executive agreements become empty agreements unless they can be implemented.

I feel, and have felt, that way; and my view has not been changed by the press conference of the Secretary this morning. He has merely set forth the differences between the Secretary and certain Members of Congress. He does not have a comprehension of what our duty is as Senators with respect to the granting of authority to implement a foreign policy function. It boils down to the fact that the administration has sent to Congress a bill for foreign aid and asks money for a great variety of purposes. We say, "We will take a look at your purposes. We are going to examine your purposes in detail and in depth, and we are not going to grant you the money unless we think your purposes are in the public interest."

That is the check. To say that the Congress of the United States has no authority in the field of foreign relations is quite unrealistic.

As the Senator from Alaska said earlier, great changes have taken place in

foreign policy, worldwide, in the last 20 years. Twenty years ago we were never in such a complex and complicated international situation as we are now in.

When billions of dollars of the American taxpayers' money are thrown around, I say, most respectfully, to those in Congress that they cannot escape their responsibility to evaluate foreign policy in respect to their duty to determine how much money to allow for the various foreign policy proposals.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FULBRIGHT. Do I correctly understand that the Senator is stating that the Secretary of State has no respect for the principle of checks and balances?

Mr. MORSE. I have not said that at all. Quite to the contrary, I said that I do not think the Secretary of State shares the point of view of the Senator from Oregon as to how far the system of checks and balances goes in respect to congressional authority in the field of foreign policy.

Mr. FULBRIGHT. Will the Senator yield further?

Mr. MORSE. Certainly.

Mr. FULBRIGHT. I thoroughly disagree with what the Senator says. I think this Secretary of State has been more than responsive to the views of the committee, certainly, and has been more than willing to come at any time to consult with the committee. When the Senate begins to bring into a foreign aid bill measures to regulate in an irrelevant field, such as the fishing industry, or the Israel security problems, and to legislate on specific problems, it is going quite beyond the normal responsibilities of a legislative body and is usurping the executive functions, rather than the reverse.

Mr. MORSE. I wish to reply, good-naturedly and respectfully, that I do not know with whom the Senator from Arkansas disagrees. I doubt, if he reads the transcript of what I said, that he disagrees with the Senator from Oregon. If he does, that is all right with me. I only repeat my thesis that, in my judgment, in his press conference this morning the Secretary of State did not give the same weight to our system of checks and balances as does the Senator from Oregon in regard to the authority and duty of the Congress in respect to appropriation of money for the implementation of foreign policy proposals of any administration.

When the administration sends to Congress a foreign aid bill, asking for the expenditure of hundreds of millions of dollars, Congress has the duty of looking into how the money is to be spent in relation to foreign aid programs. The Secretary said:

Well, I must state that I am very much concerned about the tendency in the Congress to legislate foreign policy as it might apply to specific situations or specific countries. The legislative cycle moves a year at a time. The world moves very fast. It is not possible for the Congress to anticipate in advance what the circumstances are going to be in any given situation, so I am very much concerned about the tendency to

try to build into law attitudes in the use of our aid program, for example, with regard to particular countries—

He must face the fact that we have the duty of seeing what kind of attitude the administration seeks to build in our relations with other countries. So when the Secretary says, "These are responsibilities carried by the President, I quite agree, but the President of the United States is not free to adopt any policy he desires, without any check, under the doctrine of separation of powers. If that were done, there would be a dictatorship. Our Constitutional Fathers were careful to see that there was not vested in a President of the United States dictatorial power. I know of no President, including President Kennedy, who would want to exercise such power, or any Secretary of State, including Secretary Rusk. But when the Secretary says the President is the one the country will hold responsible if things go wrong, I point out that he is one whom the people will hold responsible. But I say to Members of Congress that the people will not fail to hold them responsible for their mistakes.

Having entered this new era of foreign relations which the Senator from Alaska discussed earlier today, not one of us, in either the legislative branch or the executive branch, can escape being held responsible if the American foreign policy goes wrong. We should not be allowed to escape it, either.

The Secretary of State continued:

So, I am very much concerned about the loss of flexibility, the loss of any ability to move to protect and forward the interests of the United States wherever they might be engaged anywhere in the world. So I would hope very much that the Congress would withhold its hand and not try to legislate in detail about the application of an aid program to a particular country.

Note that the Secretary wants to have that put on the basis of leaving more flexibility. What does he mean by "flexibility"? If he means following a course of action which we are satisfied is not in the public interest, now is the time for us to put restrictions in the bill. That is what we have been doing. That is completely in keeping with our authority to check any administration with respect to the expenditure of funds for implementing any foreign policy with which we find ourselves in disagreement. The Secretary was asked the question:

Question. Mr. Secretary, on the larger view of the foreign aid situation, the Congress, is in the process of tearing it to shreds; and this is only the authorization. The news is going to be a lot worse when you get to appropriations; this is quite clear.

Now how do you respond to this? You are getting a message, at least they say on the Hill, which tells you, the administration, the Congress is fed up with foreign aid, as it is now being operated.

What do you propose to do about it?

Answer. Well, we are in daily, sometimes hourly, contact with the Congress about this matter.

He certainly has. I do not know how we could have a more cooperative Secre-

tary of State than Secretary Rusk. He continued:

I must say that I don't understand the tendency to cut back on our foreign aid program as deeply as is now being discussed in the Congress. The large and dangerous questions are still in front of us, whether it is Berlin, or Cuba, or Laos, or Vietnam, or whatever it may be.

I consider that a complete non sequitur. What has that to do with whether or not the Senate decides that it is in the best interests of this country to adopt the amendments that have been adopted, such as the Humphrey amendment? I helped the Senator from Minnesota to draft it. It was added to the Mansfield amendment, which was finally adopted. It was a good amendment. Obviously, the Secretary of State does not like it. He has respectfully and with dignity told us that, as he has a right to do.

That in no way should justify subjecting Congress to criticism, because we do not agree with the Secretary of State. The authority vests in Congress, and the duty vests in Congress—I wish to stress both—the authority and the duty—to exercise our judgment as to the amount our Government should spend for these projects.

As I said earlier, I believe the Secretary of State would like it better if he were given a free hand. He has not been given it, and he should not be given it. The Secretary continued:

There is no detente in the sense that there is a general easing of relations between the free world and the Communist world. There have been some limited and specific agreements, some of them have been important, such as the nuclear test ban treaty. There have been explorations of the possibilities of agreements on other subjects.

But this is no time to quit.

That is an interesting implication. I do not believe that it is meant or intended in any literal sense that one should say it is subject to the interpretation that we are proposing to quit foreign aid. The Secretary of State knows that. If we end with a foreign aid bill anywhere above \$3 billion, we shall have made a vast outlay for foreign aid. If we cut the cloth of the foreign aid program to a \$3 billion piece, thereby eliminating a great many countries that ought to be eliminated from the foreign aid program, it will still be a huge amount.

Those countries fall into two main classifications—first, those that are able to support themselves. They should not receive funds. Second, there are countries in which we are spending money in a completely wasteful way. It would be impossible to spend enough money to be of any assistance to them. They are complete sinkholes. We shall never be able to fill up those sinkholes; and we must recognize that we cannot spend enough foreign aid money to be of any material assistance in certain areas of the world in which we are now sinking a great amount of Federal money.

I know how things happen in press conferences. The use of the word "quit" might cause some to seek to give the in-

terpretation that the Secretary of State thinks we are quitting foreign aid. We are not quitting foreign aid. Congress is trying to strengthen foreign aid. We disagree on how best to strengthen it. However, we have a duty to the taxpayers of the country to see that the money is spent in a manner as to give them their money's worth, which they are not now getting. They deserve a foreign aid bill that will strengthen our spending in the world and not weaken it.

The Secretary continued:

There is too much unfinished business ahead of us. The United States has almost a million men outside of the continental limits of the United States, ashore and afloat. We must support those men.

Who says we do not want to? Who says that we are not? I say again, as I said earlier in the debate, that these are the men who are saving the areas of the world which are endangered, and not the military personnel of the indigenous populations of those areas of the world. If anyone thinks that the South Korean Army is saving South Korea, that is utter nonsense. South Korea is being saved by some 50,000 boys in uniform, whom we have stationed there, by the 7th Fleet, and by the availability of the U.S. Air Force. That is what is saving South Korea.

The statement of the Secretary of State will be interpreted by some as meaning that we must continue to give all the aid that we have been giving to South Korea, because if we do not do so, we will not support the American boys overseas. That does not follow. It is an illogical conclusion to draw.

The Secretary then states:

We must support those men. They are out to do a job for the free world. And I think they are entitled to have us support them by trying to get the job done without committing them to combat, if possible.

I say to the Secretary of State: "What has that to do with our wasting hundreds of millions of dollars of foreign aid money?" The trouble is that my good friend the Secretary of State has been reluctant to face what is the unanswerable fact; namely, that if we are to have a strong foreign aid program, we must reform the program. Some of us have been telling him that for many months. Congress has suggested that there be some consultations to revamp the foreign aid bill. We have been taking that position for months. We have been saying the same thing that the committee says in the report. The only difference between those of us who oppose the bill and the majority of the committee is that the opponents think we ought to do it now. We think this is the time to do it. Of course, if the Secretary of State's statement is subject to the interpretation—I do not believe it would be a particularly fair interpretation, although he should amplify the statement—that he ought to have it as is, that does not offer much hope for implementing the committee's recommendation for the improvement of foreign aid. If we are to reform foreign aid, it must be done in

Congress. We shall have to adopt new policies moneywise, and say, "This is what you are getting it for, and that is all you are going to get."

The Secretary said:

Now we spend gladly—we spend gladly—about \$50 billion a year in our defense budget. I don't see why we can't spend 10 percent of that, if necessary, to get the job done without war, if possible.

If ever there was a false conclusion, that is it—namely, that the foreign aid program is intended to prevent war. There is no cause-to-effect relationship between those two premises. The State Department officials like to create the impression that if we give them all the money they request for foreign aid, it will not be necessary to go to war.

It is my opinion that if Congress provided all the foreign aid that is asked for in the bill, so many tensions would be created in so many parts of the world, and so many problems would develop in so many parts of the world, that peace would not be encouraged, but more tension and more trouble would result, instead.

I do not say that reducing foreign aid will reduce the chances of war. There is no proof whatsoever that granting the Secretary of State all the money he wants for foreign aid will avoid war. Quite to the contrary. In my judgment, we would help to lessen the chances of war if we drastically cut military aid out of the foreign aid bill. I am sorry I am not getting from the Secretary of State the support that he ought to be offering with respect to foreign aid.

The military aid provisions of the bill are shocking in their amount. In my judgment, the committee did not begin to cut it enough. We ought to cut it in connection with NATO.

As I have said previously, we ought to bring home at least four of our six divisions in Germany. If Senators will talk with the chairman of the Committee on Armed Services, they will find no dispute with him about the fact that six divisions are not needed in Germany to protect Germany—and Germany knows it. Furthermore, we ought to bring those divisions home until our NATO Allies start to fulfill their commitments in respect to their NATO obligations. Not a single one of them has done so yet, including West Germany. It may be that because there is full employment in West Germany and a great deal of unemployment in the United States, there are those who do not want to bring our divisions home. But I believe that Germany has an obligation to fill her NATO ranks.

Nevertheless, she is a wonderful ally on this score, compared with France.

France, obviously, has no intention of fulfilling her NATO obligations. On the floor of the Senate the other day, I called attention to a classified document, invited Senators to examine it, and then returned it to the Committee on Foreign Relations, where I invited Senators to go to look at it. The sad fact is that most of our allies do not even want to commit themselves to fulfilling their

commitments on M-Day. It is all right for the Secretary of State to hold a news conference and engage in a series of non sequiturs with respect to foreign aid and war or no war. But I say to him, most respectfully: "You will greatly strengthen the military posture of the United States and the defense of the United States if you will cooperate with us in trying to bring about some economy in connection with the terrific military cost."

The two most dangerous forces in the world, so far as peace is concerned, are the Russian and the American military. I vote to maintain our forces, so far as our national defense budget is concerned. If the mad, insane armaments race is continued, history will repeat itself, and the result will be war. At the same time, we should bide our time and keep ourselves so strong that Russia will understand, day and night, that she, too, has everything to lose and nothing to gain by nuclear war. That is why I voted more money for defense than was recommended by any one of the four Presidents under whom I have served as a Senator. There were times when I voted more money for defense than any of those Presidents recommended, because I was literally gambling, so far as our domestic defense was concerned, on providing too much rather than too little.

But I will not waste the taxpayers' money on foreign governments which will not assume their defense obligations.

So I say to the Secretary of State: "I do not take offense at your news conference this morning. I believe you expressed your sincere, honest judgment. I have respect for it. I disagree with some of it."

What I feel bad about is that the State Department has not seen fit to face the reality of the situation that exists in this country with respect to foreign aid and to try to arrive at an adjustment of the differences that exist in this body over foreign aid, while there is still time. It could be done in the long weekend ahead. I assure the administration that Senators who are opposed to the bill are ready and willing at any time to try to adjust our differences. But that does not mean that we will ever agree to a continuation in the foreign aid bill of many of the weaknesses and evils in the present foreign aid bill, which we will seek to rectify by a series of 40 or 50 amendments.

While I am on my feet, commenting on the differences I have with the Secretary of State, I wish to make a comment or two on some differences I have with the New York Times. Senators who are opposed to the bill do not have the media of information to support them that the proponents of the bill have. We do not have the great propaganda force of the American press, which, by and large, is functioning as a huge lobby for the administration in connection with this wasteful foreign aid bill. We must work very hard to keep up with the activities of the research staff of the Department of State, the Pentagon, and the White

House, which are constantly feeding in to this Chamber their memorandums and other information that they think they can use to counter our opposition.

But when the kind of attack takes place to which the senior Senator from Oregon was subjected in the New York Times this morning, all we can do is to state, patiently, goodnaturedly, and tolerantly, what we believe to be the facts in answer.

There is an interesting editorial in the New York Times this morning. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR MORSE'S PERFORMANCE

Senator WAYNE MORSE, of Oregon, is displaying much of his considerable talent in attacking the foreign aid bill. His knowledge of parliamentary procedure, his skill at expressing indignation, and his seemingly indefatigable ability to engage in exhaustive soliloquies—characteristics that have been employed by him so often in the past—are now being used in an all-out effort to reduce the extent of foreign military and economic aid to the developing nations.

Some of Mr. Morse's criticisms are justified. The rich industrialized nations of Western Europe are not contributing a fair share of the costs of NATO's defense forces; funds have been wasted in Turkey, Pakistan, and other countries; and it may well be true that "the United States pays the salaries of more generals in Chiang Kai-shek's army than the total number of generals in the entire U.S. Military Establishment."

But Mr. Morse does not confine his wrath to obvious shortcomings. His claims that the American public is being "rooked," that aid to Latin America has "caused more harm than good" and that foreign aid is hurting the domestic economy, only help the enemies of the whole program. Mr. Morse may protest that he is a supporter of foreign aid while exercising his critical faculties against this particular bill; but his unrestrained performance leaves the impression that he is more interested in reducing the overall amount of aid than in making sure that the program is operated more efficiently.

Mr. MORSE. Mr. President, I shall ignore the first part of the editorial, which deals with personal reference to the Senator from Oregon. Whenever I find someone starting out even with faint praise, I am on my guard. I am never taken off my guard by gloved compliments. I was pleased that the New York Times did say:

Some of Mr. Morse's criticisms are justified.

That was a refreshing admission, coming from the New York Times. The editorial continues:

The rich industrialized nations of Western Europe are not contributing a fair share of the cost of NATO defense forces.

I appreciated that statement, too. I hope the Senate will keep that in mind when, later today or tonight, it acts on the Morse amendment dealing with NATO, whereby I propose to end all U.S. aid to NATO countries that are self-sufficient.

I am glad the New York Times agrees that the rich industrial nations of Europe are not contributing a fair share of

the cost of maintaining NATO's defense forces. I am glad the New York Times recognizes, from the evidence we have adduced and put into this RECORD for several weeks, now, that funds have been wasted in Turkey, Pakistan, and other countries.

I thought it was interesting that the New York Times commented that:

It may well be true that "the United States pays the salaries of more generals in Chiang Kai-shek's army than the total number of generals in the entire U.S. Military Establishment."

The Times can strike from the editorial the words "it may well be true," because it is true; it is true that Chiang Kai-shek's army has in it more generals than does the entire U.S. Military Establishment, and I do not understand how anyone can dispute the fact that Chiang Kai-shek's army is dependent upon the U.S. Treasury.

I read further from the New York Times editorial:

But Mr. MORSE does not confine his wrath to obvious shortcomings.

Mr. President, perhaps it is wrath; but if it is, I wish to state that my adrenal glands show no evidence of being empty. However, throughout this debate, although I have spoken with deep conviction, I have spoken with more sorrow than wrath. I am rather sorrowful that we are in this plight in connection with foreign aid. I am sorrowful that this administration sent to Congress the foreign aid bill in the form in which it came to us. I am sorrowful that the administration did not take note of the criticisms of foreign aid that are set forth in the committee's report, and did not do something about them before it sent the bill to us. The administration knew that such criticisms are based on conditions which have existed for the last few years; nevertheless, the bill was handed to us again. That is why I am not moved by the suggestion that all we should do is to slap the administration on the wrist, and then say, by way of warning, "If you do not do something about reforming your foreign aid bill by next year, you will be in trouble."

So I think we should let the administration realize that it is in trouble now, and that if these criticisms are sound, the reforms should be forthcoming now. I say most respectfully to the Secretary of State that he should use the next few days to consult with the Senate Foreign Relations Committee, to determine what can be done to give assurance now about needed reforms, before the Senate proceeds next week with further consideration of the bill.

The New York Times editorial also states:

He claims that the American public is being "rooked."

Mr. President, I think that is a very apt description of what is happening. The American people are being rooked; The American public and the American taxpayers are being taken for an economic ride by way of the vehicles of waste in the foreign aid program; and we should stop such waste. The word "rooked" is an accurate and apt descrip-

tion of what is happening to the American taxpayers.

The New York Times editorial also states:

And that aid to Latin America has "caused more harm than good."

Mr. President, if Senators will examine the context of the speech from which that statement is taken, they will find that I pointed out that our military aid to Latin America has caused more harm than good. There has been some waste in our economic aid; but my criticism about "doing more harm than good" related particularly to our military aid. Before this debate is concluded, the Senate will have to deal with amendments on that score. But the New York Times should take note of the fact that I joined the Senator from Minnesota [Mr. HUMPHREY] in trying to restore a substantial amount of the authorization that the so-called "powerhouse amendment," offered by the two leaders in the Senate and their associates, sought to take from the Alliance for Progress program. The Senator from Oregon, in cooperation with the Senator from Minnesota, said, "We think you have gone too far in cutting the authorization for the Alliance for Progress program, insofar as our economic aid is concerned"; and, as chairman of the Subcommittee on Latin American Affairs, I was pleased to join the Senator from Minnesota in urging the Senate to restore \$75 million to the authorization for the Alliance for Progress program—thus increasing it to \$600 million. The Senate did so because the Senator from Minnesota was in a position to inform the Senate that although those in charge of the program did not like that cut and would prefer not to have it made, yet, when talking to him about the program, they said that although they would like a larger authorization, they could live with this one. Particularly in view of the lapse of time, that was a fairly good rehabilitation, for we are rapidly approaching the next fiscal year, and it will not be long before the new program will be before Congress.

I hope that by that time more than eight Latin American countries will have submitted their plans for cooperation in connection with the Alliance for Progress program. The other day I pointed out, and so stated for the RECORD, that only eight Latin American countries have submitted such plans, and Argentina and Brazil are not among them, although Argentina and Brazil have been heavy recipients of millions of dollars out of the President's contingency fund. I am convinced that not one dollar should have gone to them out of the contingency fund. This is noted because it is easy for the New York Times to leave the impression, by means of its statement in the editorial that "aid to Latin America has 'caused more harm than good,'" that the Senator from Oregon is opposed to the Alliance for Progress program.

I am opposed to much of the military aid program, and shall have some suggestions to make as to how it could be modified into a program similar to the

program of the U.S. Army Engineers, whereby military aid funds could be used for the building of roads, dams, and other great public works developments. If such a program is called military aid, there will be no complaint from me. But military aid for the acquisition of Sherman tanks, submarines, and other heavy military equipment has no place in Latin America. On the other hand, if the military aid is confined to items necessary for internal security—to expenditures for small arms, such as pistols, machineguns, rifles, tear gas, and equipment necessary for the handling of riots and the type of coups the Communists could stage, I will not complain about aid of that kind.

But that does not require any such figure as the Foreign Relations Committee is recommending to the Senate. I wish to make that comment in regard to that very misleading editorial.

It states further:

And that foreign aid is hurting the domestic economy, only help the enemies of the whole program.

Mr. President, it is hurting the domestic economy. It is hurting the domestic economy in many ways, for it is resulting, in effect, in the exportation of a great deal of our economic potential. What we ought to be doing is saving whatever we can and using the money to develop our own underdeveloped areas in the United States and to meet our own unemployment problem. We should do something about our schools, our water level, money for medical care, for the aged, for arthritis research, heart research, and cancer research.

We must start paying closer attention to our domestic economy. The New York Times is absolutely right in that comment in its editorial. I say that foreign aid is hurting the domestic economy. But the editorial states that by making those arguments, all I am doing is helping the enemies of the whole program.

That is more nonsense. Now that we have been forced into the position of writing the bill on the floor of the Senate as though the Senate were a committee of the whole, we have a duty to bring out the evidence that we have been bringing out.

I will tell Senators what I believe disturbs some editors, including editors of the New York Times, the Washington Post, and others. They do not have any answer to the evidence that we have been putting into the RECORD for several weeks. I started putting that evidence into the RECORD several months ago. I spoke almost daily for weeks on that subject until the time of the test ban treaty debate. Then I laid aside my speeches on foreign aid. I knew that the foreign aid authorization bill would be before the Senate. I could see what was going to happen in the Foreign Relations Committee. Several months ago I started to make the RECORD, and it is a factual RECORD. I have put in factual data in speech after speech as to how foreign aid has operated in country after country. It is in the RECORD for future reference. No Senator can say that he did not have the facts available to him. If he did not

read them, that is not the fault of the Senator from Oregon.

The editor, using a typical journalistic device of downgrading, then stated:

Mr. Morse may protest that he is a supporter of foreign aid while exercising his critical faculties against this particular bill; but his unrestrained performance—

If a Senator undertakes to make the record in detail, it is alleged that he is engaging in an "unrestrained performance."

We must not take the time of the Senate to make the record. That somehow is not supposed to be in accordance with the rules of the game. But the Senate should not be operated on the basis of its being a game. I happen to think that when the Senate has before it a matter vital to the welfare of the people of our country, Senators ought to exercise their rights and have the courage to exercise their rights and to make the record, no matter whether some editor who wishes to downgrade a Senator may call it "unrestrained."

So the editorial states:

But his unrestrained performance leaves the impression that he is more interested in reducing the overall amount of aid than in making sure that the program is operating more efficiently.

How could one get a more false conclusion from the record that the Senator from Oregon has made over many weeks in the Senate? I have said before that although I wish to cut the bill in money amounts, I want a good foreign aid program, a program that will accomplish its legitimate objectives. I want an efficient foreign aid program, a foreign aid program that will help us, in this great contest between totalitarianism and freedom, in winning the minds of millions of people over to the side of freedom.

The burden of my argument has been that this program is not doing it. That kind of attempted personal downgrading on the part of the New York Times is no answer to the facts put into the RECORD. The New York Times editor ought to be devoting himself to answering the criticisms that we have made of foreign relations by answering the factual information that we have put into the RECORD.

I have one other comment on another facet of this general problem. The Senator from Alaska [Mr. GRUENING] has talked about an editorial that appeared in this morning's Washington Post. I share every comment that he made about it. The Washington Post editor also belabors the idea that apparently we should not be discussing this subject on the floor of the Senate. We ought to let a steamroller roll over us. Senators should not exercise their rights and their duties to make the record. There is much concern because there are 50 pending amendments, but the concern is that it will take time to consider the 50 pending amendments. I wish the editor of the Post would express some concern about the fact that a bill came to us in such condition that sincere and dedicated Senators—as sincere and dedicated as those on the other side of the issue from us—feel that it is necessary in the public interest to offer some 50 amend-

ments. That is what ought to confront the editor of the Washington Post. He ought to give his readers an analysis of the reasons why it became necessary to offer the amendments on the floor of the Senate.

Then the editor said:

Certain men of good will can differ with some of these specific aspects of the program, but it seems to us that the process by which legislative decision is reached is capricious and irresponsible.

I ask "Why?" What is capricious and irresponsible about it? Is it capricious and irresponsible if sincere and dedicated men who disagree with the administration and the administration spokesmen in the Senate say, "We are going to make our record in opposition and let the Senate be the judge."

What the editor impliedly confesses, although he would deny it if we put the question to him, is that he does not think we ought to make the record. He does not think we ought to take the time to make the record. He does not think that this should be a great debating forum. He does not believe that we ought to protect the Senate so that we can truly say that it is the greatest parliamentary body in the world. But it will not be a parliamentary body if it is merely a meeting place for Senators to assemble in order to cast votes.

The Washington Post editor, like the New York Times editor, has, as we say, "let his slip show." He has unknowingly confessed what rankles him. What he is really rankled about is that a thorough debate on a foreign aid bill that he knows cannot stand a thorough debate without a great many of its deficiencies being shown up is taking place in the Senate.

I say to my colleagues on my side of the issue, "Prepare for more of this. It will become more and more pointed and bitter as the days go by." By next week they will be writing editorials on asbestos paper.

We have not heard anything yet, so far as concerns the unkind things which will be said to us if we hold our ground.

I say to the editor of the Washington Post, "Go ahead. Fill up your bottle of invective. We can take it. We are going to talk about this bill until we think we have made the full record."

The editorial further states:

Senators frequently complain that the aid program is haphazardly run. How would they characterize their own legislative behavior?

Is that not a nice bit of psychological escapism? They cannot meet the argument, so they make an ad hominem argument. There is no reply to the charges that in many instances the foreign aid program is wasteful and inefficient—so the question is asked, "What about the Senate of the United States?"

We can have some support from this editor, after we dispose of this problem and come to grips with some procedural changes needed in the Senate. I hope it will not give him a heart attack if he happens to find himself on the same side of that issue with the senior Senator from Oregon.

Like a salami in a slicing machine, thick wedges of the program have been arbitrarily shaved off.

That is more nonsense. We have not reduced the bill at a single point, except upon the basis of the factual case we have made to justify a cut. In keeping with our Senate processes, a majority of the Senate agreed with us on each one of those cuts. Why does the editor not say, "I do not like it, because I do not believe the cuts should have been made."

Why should he use such descriptive terminology?

First of all, the program was cut from \$4.9 to \$4.5 billion following General Clay's report.

That is correct. Is there any objection to that?

This figure was drastically reduced in the House, and less severely by the Senate Foreign Relations Committee.

That is true.

Now the Senate has chopped its own committee recommendations in votes based less on information than emotion.

That is another bit of psychological escapism on the part of this editor. He did not proceed to answer the arguments we presented. He did not deal with the objective data we put into the RECORD.

Congress has called on the Executive to reform the administration of foreign aid. But who will reform the administration of Congress?

That is a nice way to meet an issue, is it not? What makes this editor believe that the administration would reform foreign aid any more this time than it has in past years, though we have patiently, from the Committee on Foreign Relations, pointed out the deficiencies in the program which should have been reformed and were not?

What this editor does not want to face is the fact that some of us are "fed up" and we are seeking to put reforms into operation now.

I have one more comment to make in respect to the Secretary of State. He made a comment about Egypt, which deals with the amendment the Senator from Alaska [Mr. GRUENING] and the Senator from New York [Mr. JAVITS], so ably piloted through the Senate last night. There has been some comment in the Senate with respect to the amendment dealing with the matter of fishing rights. The implication was that approval of that amendment is supposed to be a terrible intervention on our part in American foreign policy.

The point the Secretary of State and others are overlooking is that we are merely saying to these countries, in connection with these amendments, "It is our money. You do not have to take it. But if you are to take it you will have to take it on certain terms and conditions."

What is incorrect about that? Certainly there is nothing wrong about it, so far as the innate power of Congress is concerned.

It happens to be the right of Congress, which has charge of the purse strings of the Government, as a check upon the Executive, to say, "We are not going to allow the money, unless the recipient

countries are willing to agree to certain conditions."

That is what is sorely needed in connection with the entire foreign aid program. That is why I shall press next week for my amendment in regard to the contingency fund.

I want the President to have unlimited power to meet a national emergency overnight, but I believe we must put strings on the contingency fund with respect to permitting a President to exercise an unchecked discretion in making millions of dollars available to Argentina and Brazil for balance-of-payments problems, for budget support, for making more money available to them so that they, in turn, may use some of it to pay off American creditors. American taxpayers' money should not be used for that purpose. If used for that purpose, it ought to be done with the specific approval of Congress, rather than by an unchecked exercise of discretion on the part of a President of the United States.

That is why I believe we must adopt an amendment to place the contingency fund within some definitive limits.

The President should not be handcuffed in the slightest in his ability to act quickly in regard to an American emergency, but I shall not remain silent any longer in connection with such uses of the contingency fund. I put data in the Record on that subject the other day. The data show that the contingency fund has been used, not only by this President, but also other Presidents to shore up the budgets of other countries, such as Brazil.

In my judgment, Brazil has yet to act in good faith in relation to the United States in trying to do something about inflation. Brazil goes through a series of so-called token gestures, but the fact is that apparently Brazil is of the opinion that she can come back to get more money to shore up her monetary policy after each inflationary runaway. She has obtained large sums from the contingency fund, and should not be allowed to have more.

Mr. President, I have made these comments on the position of the Secretary of State, and on the two editorials. I say to the Secretary of State, "Although you and I disagree, Mr. Secretary, to the extent I have brought out in this speech, my admiration for you remains unabated. You are still one of the greatest Secretaries of State in my time, and you will go down in American history as a truly great Secretary of State. But you, too, Mr. Secretary, must be brought under the checking power of the Congress of the United States in respect to your policies. Mr. Secretary, you must not be allowed to do whatever you care to do and take the position that the Congress must give you the necessary money to do what you want to do. The purpose of the bill is to get an authorization for what you want to do."

This is an authorization bill. An authorization bill involves a review of the policy that is proposed by the administration for the expenditure of taxpayers' money. After we have taken a look at the proposals, from the standpoint of policy, we render the decision on whether

or not to authorize that policy by recommending the expenditure of taxpayers' money in sufficient amounts to carry out the policy.

So I say, "Mr. Secretary, you and I have a difference as to the degree of congressional authority in authorizing funds in relation to policy." Funds are directly related to policy. The Secretary must ask for authorization of funds for a given set of policies, and some of us find ourselves in disagreement—and in some instances the majority find themselves in disagreement, as the votes in connection with the bill show—with some of these policies. Therefore we are trying to persuade the Senate not to authorize money to carry out those policies, which means that if the Secretary does not get the money those policies must necessarily go down the drain—and that is where they belong.

I yield the floor.

Mr. GRUENING. Mr. President, the pending business is my amendment No. 232.

I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, will the Senator withhold that suggestion?

Mr. GRUENING. I do, provided I do not lose the floor.

Mr. HUMPHREY. The chairman of the committee [Mr. FULBRIGHT] momentarily stepped out of the Chamber. While he is away, I want to make available for the Record the views of the executive branch on this amendment.

I am sure my colleagues know the former President of the World Bank, Mr. Eugene Black. He wrote to the committee earlier this year in reference to this particular amendment. He wrote to the chairman of the committee and offered us some very good advice. He is a reputable banker, one who has gained for himself an outstanding reputation because of the fine services he has rendered to the World Bank. He wrote:

DEAR MR. CHAIRMAN: I understand that proposals have been made in the Foreign Relations Committee to harden the loan terms for AID development lending to less developed countries.

Later, he stated:

The problem is that many developing countries have a need for and ability to make use of outside capital which is in excess of their ability to service conventional loans. A number of countries already are at or close to the point beyond which they cannot prudently assume increased foreign debt in view of their already heavy debt service obligations. To refuse them low interest loans with long maturities and generous grace periods for their development programs would be to frustrate their development efforts and to deny them opportunity for increased foreign exchange earnings from which to service their external debt at a later stage.

Mr. Black continued:

It is for these reasons that the International Development Association was created in September of 1960 as an affiliate of the World Bank lending on unconventional terms at a standard rate of three-fourths of 1 percent service charge with 50-year maturities and a 10-year grace period.

I want my colleagues to note that that affiliate of the World Bank has as good a record of financing as any I know.

The International Development Association provides what it calls unconventional terms at a standard rate of three-fourths of 1 percent, with 50-year maturities and a 10-year grace period.

I continue to read from the letter:

Similarly, when AID was established in 1961, the executive branch sought and Congress wisely authorized the extension of AID development loans on terms as low as three-fourths of 1 percent over 40 years, with a 10-year grace period on repayment of principal. It is for those reasons also that the World Bank, the U.S. Government, and other bodies have been encouraging foreign governments to lend on softer terms to the less-developed countries.

While I believe that AID's lending policy should be flexible enough to adjust the loan terms to the particular circumstances of the various countries and that terms should be hardened for a number of countries as AID Administrator Bell has done in recent months, I believe it would be a matter of grave consequence if AID's minimum lending terms were forced upward beyond their present level.

I ask unanimous consent that the entire text of Mr. Black's letter be printed in the Record, along with a copy of a letter from the Secretary of the Treasury, Mr. Douglas Dillon, addressed to Chairman FULBRIGHT, and dated September 25.

There being no objection, the letters were ordered to be printed in the Record, as follows:

NEW YORK, N.Y.,
August 1, 1963.

HON. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that proposals have been made in the Foreign Relations Committee to harden the loan terms for AID development lending to less developed countries, setting a minimum figure as high as 2 percent for 30 years with a 2-year grace period. My deep concern over the effect of such proposals if adopted moves me, at the risk of intruding upon your deliberations, to submit this letter for your consideration and that of your distinguished colleagues.

The problem is that many developing countries have a need for and ability to make use of outside capital which is in excess of their ability to service conventional loans. A number of countries already are at or close to the point beyond which they cannot prudently assume increased foreign debt in view of their already heavy debt service obligations. To refuse the low-interest loans with long maturities and generous grace periods for their development programs would be to frustrate their development efforts and to deny them opportunity for increased foreign exchange earnings from which to service their external debt at a later stage, when they should be much more able to bear it. To encourage countries, in effect, to borrow on hard terms is to lead them into a foreign debt service obligation they cannot bear and possible eventual default on their loans.

It is for these reasons that the International Development Association was created in September of 1960 as an affiliate of the World Bank lending on unconventional terms at a standard rate of three-fourths of 1 percent service charge with 50-year maturities and a 10-year grace period. Similarly, when AID was established in 1961, the executive branch sought and Congress wisely authorized the extension of AID development loans on terms as low as three-fourths of 1 percent over 40 years, with a 10-year grace period on repayment of principal. It is for these reasons also that the World Bank, the U.S. Government, and other bodies have been

encouraging foreign governments to lend on softer terms to the less developed countries.

While I believe that AID's lending policy should be flexible enough to adjust the loan terms to the particular circumstances of the various countries and that terms should be hardened for a number of countries as AID Administrator Bell has done in recent months, I believe it would be a matter of grave consequence if AID's minimum lending terms were forced upward beyond their present level. Therefore, I strongly hope that your committee will not revise the wise decision it made with respect to AID loan terms 2 years ago.

Once again I ask your understanding for the spirit and concern in which these views are offered, and I extend to you and the members of the committee my continued esteem and best wishes.

Sincerely,

EUGENE R. BLACK.

SEPTEMBER 25, 1963.

HON. WILLIAM J. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR BILL: I am writing you because of my deep concern over any final action by the Congress which would move in the direction of requiring a general hardening of loan terms under the Foreign Assistance Act at the present time. In addition to the recent action of the House of Representatives to raise significantly minimum AID loan repayment terms, I understand that there are proposals before your committee which would have a similar effect. I wish to suggest some reasons why these moves are untimely and to express my strong support for retaining the flexibility of the present law.

The repayment terms which have generally been adopted under the present Foreign Assistance Act—a long period of repayment up to 40 years, grace periods up to 10 years, and with a three-fourths of 1 percent credit or interest charge—are no less essential now than they were only 2 years ago when your committee approved the new program. A move now to harden generally this aspect of our lending program would be contrary to the realities of the financial situation of most of the less-developed countries and would not be in the interests of international financial stability. We rightfully are relying under the new AID program more heavily on loans than grants and now require dollar rather than local currency repayment. There are some cases where loans by AID with harder repayment terms make financial sense, and I can assure you that where they do, these harder terms are required. But to require higher interest rates generally or shorter grace periods and maturities would, in my view, seriously reduce the overall contribution of the program to development. It would also impede our efforts—which have recently shown signs of real success—to persuade other AID donors to soften their terms.

In the meantime, it would not really help the United States and it would be self-defeating to the purpose of our AID program to add to the burdens of the developing country's budget or its balance of payments by setting an increased artificial floor to the interest rate than can be charged, decreasing the grace periods or reducing the maturities in which loans are to be repaid. Such a step would, in most cases, retard progress that many of these countries might otherwise make toward self-support and thereby prolong the time when they might be expected to rely on conventional sources of financing and the World Bank. While we seek to improve the ability of the borrowing country to service its debts through progress in development, we should take care that the burden of debt service should not be such as to impede that progress.

It is significant that studies within the past year by international institutions such

as the World Bank and the OECD show that the need is growing for the kind of terms that the United States has been providing. A recent staff study of the International Development Association concluded that the foreign debt service burden for the less developed countries has been becoming rapidly heavier in relation to export earnings, output, savings, and many other key indicators of the seriousness of their debt servicing problem. Very liberal repayment terms were found needed where determined development efforts were being progressively jeopardized by decreasing creditworthiness for loans on conventional terms.

It is to me significant that the terms used by AID are similar to those pioneered by the World Bank for lending by the International Development Association. These were adopted by the IDA after long and thorough international discussion under the leadership of Eugene Black. Recent actions by representatives of both the developed and less developed countries on the future of the IDA confirm their confidence in this organization and in its sound lending policies.

I should also point out that the loans made by AID are tied to U.S. procurement and represent the supplying of U.S. goods and services rather than dollars. In this way, any adverse impact of our foreign assistance programs on the U.S. balance of payments is kept to the minimum, and, in fact, loans so given add to output and jobs at home.

While I hesitate to intrude upon the proceedings of your committee, I thought it might be of some help to give you my views on the importance of retaining the present flexibility in AID repayment terms.

With best wishes,

Sincerely,

DOUGLAS DILLON.

Mr. HUMPHREY. Mr. President, as Senators know, the committee responded to the demand for improved, or harder, terms on loan policy. As I recall, we shortened the term of the loan from 40 to 35 years. The amendment the committee adopted reads as follows:

In the case of loans under part I (the administrator) shall establish terms which shall include (A) interest at a rate not lower than three-fourths of 1 per centum per annum during the 5-year period following the date on which the funds are initially made available under the loan, and not lower than 2 per centum per annum thereafter and (B) repayment on an amortized basis, beginning not later than 5 years after the date any funds are initially made available under the loan, and ending not later than 30 years following the end of such 5-year period.

In layman's language, it means that during the grace period of 5 years the rate of interest shall be three-quarters of 1 percent, and for the next 30 years the interest rate shall be at not less than 2 percent.

This contrasts with what was the policy, and what is the policy today, of three-quarters of 1 percent for 40 years.

So we have toughened the loan policy, and terms and interest rates. The Senator from Ohio, the Senator from South Dakota, the Senator from Iowa, and the Senator from Tennessee, as well as other Senators, made a very strong recommendation for tighter and stronger loan terms. The committee adopted the recommendations, and has incorporated the new terms into the bill, and we have what we think is a sound proposal.

With due regard and respect for my colleagues, when it comes to banking and financing, the position of Mr.

Eugene Black might well be given thoughtful consideration. Mr. Black has been heralded in this body for his unusual qualities and qualifications as an international finance expert. Mr. Black has advised the committee to maintain a reasonable, soft loan policy. He has hesitated even to advocate the firmer terms or more stringent terms that we are suggesting or asking for as an amendment in the bill before the Senate.

I think we ought to recognize, also, that the loans, under the foreign aid bill, are not designed to make money for the U.S. Treasury. They are intended to serve our foreign policy interests. The difference between the interest rate charged under the bill as reported by the committee and the cost of the money should be looked upon as a security or foreign policy expenditure or cost.

If we are to engage in a moneymaking business, we have a bank called the Export-Import Bank, which has earned rather substantial profits. This program is directly related to commerce. It finances U.S. exports. It has rates of interest and terms of maturity that reflect the money market. But the Development Loan Fund was not put in the foreign aid bill to take away business from the commercial banks or from the World Bank. It is an addition to those normal, conventional types of financing, and it is, in a very real sense, a foreign policy program and a national security program, and not a banking or moneymaking enterprise. We should keep that in mind.

The low interest rates we are recommending are higher than before, and repayment is provided in dollars. It is a much sounder program than we had for many, many years, before we began the loan program with repayment in dollars.

I conclude by saying that rates of interest of the type proposed in the amendment offered by the Senator from Alaska are actually higher than those in many European countries. They are higher than many of the British loans, higher than many of the recent German loans, and higher than French assistance, which is largely grants.

What we are attempting to do is to persuade countries to bring down their rates of interest. Many of the underdeveloped countries that are obtaining these loans are able to use this soft type of loan as a means of buttressing their economy so as to be able to maintain a credit structure at the World Bank and with private commercial banks, and at the same time have a rising standard of living.

We should understand clearly that the development loans are a part of our foreign policy. It is designed to strengthen our security. We have continued this program on the basis of low rates of interest, but this year we are recommending a sizable increase in the interest rate, from three-quarters of 1 percent to a minimum of 2 percent. Senators should note that this is a minimum, and that the administrator can and does make higher interest terms applicable. Senators should also note that the maximum period is 35 years. The term can be

shortened. The development loan fund is a financial instrument, and ought to be looked upon as a part of our overall national security policy.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the chairman of the Foreign Relations Committee.

Mr. FULBRIGHT. I wish to emphasize the point that we have not intended, and it is not now intended, to have this fund operate as a moneymaking banking institution. It is, as the Senator has said, a tool in our foreign policy. The original Marshall plan, as most people believe, was a successful operation. It was never considered to be a moneymaking operation. When we look back on it now, perhaps it would have been wise if the program had been based on soft loans—that is, loans requiring repayment with low interest—because we would be very fortunate indeed with such loans coming due at this juncture.

At the same time, we know that a small percentage of the original program was in the form of loans, and we are now receiving an average of \$300 million a year in repayment on the part of the program which was in the form of loans.

Therefore the lending part is quite sound, and the committee and the Congress have gone along with it.

On the judgment of the best authorities I know in this field, if we put the minimum as high as the Senator from Alaska would have it, for all practical purposes it will, in effect, price us out of the market. The underdeveloped countries are much less likely to be able to bear that kind of loan with a high interest rate than the original Marshall countries would have been able to do if we had imposed it at that time.

I therefore hope that the Senate will not further emasculate the bill by adopting this amendment.

Mr. MOSS. Mr. President, I support the amendment offered by the distinguished Senator from Alaska [Mr. GRUENING]. I do so because I think it represents sound economics for this country, and reasonable loan repayment terms for recipient nations.

Very simply, the amendment provides that governments which receive foreign assistance development loans from the United States must pay the same rate of interest on these loans as our Government had to pay to borrow the money in the first place.

I realize that the Foreign Relations Committee has made some progress in this respect. Under the term of H.R. 7855, as reported, the interest rate on development loans has been set at three-fourths of 1 percent for the first 5 years of the loan, and 2 percent thereafter. This is an improvement over the present method, which gives the administration the discretion to set interest rates at even lower, long-term levels. But it still leaves the American taxpayer digging down in his pocket to pay a considerable difference. Our Government is borrowing the money it lends at the rate of 3 percent plus. In any way one figures it, there is a gap of from 1 to 3 or 4 percent which must be made up. This is

costing us millions of dollars which could be well used in our own country.

The amendment would remove the gift element from development loans. It would take out the subsidy—the subsidy for which the American people are now picking up the tab. It would differentiate more sharply between our loan and our grant programs in foreign assistance. It would make the loan program faithful to its name, and give the American people some assurance of getting back all of the money they put into it.

The adoption of the amendment would not, as some have suggested, make us look like Uncle Shylock, and blur the image we have so carefully and painstakingly built up. Instead, it seems to me, it would only cement the picture of a good friend who is willing to help out over the rough places—who says, "Sure, I'll loan you the money, but I'll have to borrow it first myself. I don't want anything extra for my trouble. All I ask is to be covered in costs and the amount of the loan itself."

Who could ask a friend to do more?

Mr. President, we are currently facing our largest public debt in history, and a long-continued imbalance of international payments has brought our gold reserves to their lowest reserve level since 1939. I am sure there is not a Member of the Senate who does not agree that we must retrench wherever possible, and who is not seeking ways to do so.

In the past 3 years, we have done much to set our economic house in order—particularly in foreign assistance. For example, we have reduced the amounts of grants to foreign governments, while still giving them aid for mutual benefit. We have set the pattern of more and more lending of aid rather than giving it away. The share of development loans in foreign assistance programs has increased by \$450 million between 1961 and 1964, while development grants have increased \$100 million. During this time, supporting assistance has been reduced by \$600 million. This is all encouraging, but it is not enough.

I feel that the report submitted by the Committee on Foreign Relations on H.R. 7855 is one of the most remarkable in the history of the foreign assistance program. I compliment the distinguished chairman, Senator FULBRIGHT, and the members of the committee on it. The frankness with which the entire foreign assistance program is discussed will undoubtedly lead to further improvements in it.

I was pleased, of course, that the committee made the recommendations it did on the rate of interest on development loans. I am glad the members agreed that this is an area in which action should be taken. But, in my opinion, the committee did not go far enough.

I must disagree with the thinking, expressed in the report, that by continuing "soft" loans, the United States will encourage other European nations to reduce interest rates and lengthen maturity of foreign aid loans. Why is not the reverse more likely to be true? Why would it not be easier to get Western European nations to assume an even larger share of foreign aid lending if they could

be given assurance that recipient nations would be paying back the full costs of making the loan as well as the amount of the loan itself. None of this country's experiences with Western European nations would indicate to me that their leaders are not good businessmen, seeking first of all to strengthen their own financial structure, so that they can continue to improve their positions in the world.

The argument has also been offered that many of the recipient countries, particularly those whose economic growth is vital to the United States, cannot take on the added financial burden of increased interest rates. I have been told that their debt servicing capacity cannot sustain it. If I remember correctly, the same argument was made when the development loan program itself was first inaugurated—that the underdeveloped countries could not undertake at this time to pay back many loans, no matter how long term they were. Yet there is no question that the development loan program has been a signal success, and is admittedly one of the most salutary changes in the foreign aid program since its inception. Surely underdeveloped countries that are finding in the loan program a solution to many of their pressing problems will not discard it—or us—because we ask them to pay as much themselves for the money as it costs us to get it for them.

As Senators know, I have long been a supporter of the foreign aid program. I agree with it both in principle and in philosophy. I am convinced that it has been, from the beginning, a program which is in our own self-interest; and I know in my heart that it is in our great American humanitarian tradition.

But I do feel that as we vote to continue it, we should consider from every angle the current condition of our own people and the current condition of our own financial resources, and should give them first call. We must trim our foreign assistance program whenever and wherever we can without endangering its objectives. The adoption of this amendment is one concrete way to do this.

In conclusion, let me stress that we must not attempt to profit from the economic conditions of the lesser developed countries, but by the same token we should not provide a subsidy at the expense of our own economy, and at a time when we can ill afford to do so.

I strongly urge the adoption of the amendment offered by the Senator from Alaska.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GRUENING. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. I ask that the roll be called on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska [Mr. GRUENING] to the committee

amendment. The yeas and nays having been ordered the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from West Virginia would vote "nay."

On this vote, the Senator from Virginia [Mr. ROBERTSON] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Mississippi [Mr. STENNIS] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from Michigan [Mr. McNAMARA]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Oklahoma [Mr. EDMONDSON] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Florida would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 30, nays 44, as follows:

[No. 219 Leg.]

YEAS—30

Allott	Fong	Moss
Beall	Gruening	Mundt
Bible	Hruska	Simpson
Burdick	Jackson	Symington
Cannon	Jordan, Idaho	Tower
Curtis	Lausche	Walters
Dodd	Magnuson	Williams, Del.
Dominick	McClellan	Yarborough
Eastland	Mechem	Young, N. Dak.
Ellender	Morse	Young, Ohio

NAYS—44

Aiken	Hayden	Monroney
Anderson	Hickenlooper	Morton
Bartlett	Hill	Muskie
Bayh	Humphrey	Nelson
Boggs	Inouye	Neuberger
Brewster	Javits	Pastore
Carlson	Jordan, N.C.	Pell
Case	Keating	Prouty
Church	Kennedy	Proxmire
Clark	Kuchel	Randolph
Cotton	Mansfield	Randolph
Dirksen	McGovern	Scott
Douglas	McIntyre	Smith
Fulbright	Metcalf	Sparkman
Hart	Miller	Williams, N.J.

NOT VOTING—26

Bennett	Hartke	Ribicoff
Byrd, Va.	Holland	Robertson
Byrd, W. Va.	Johnston	Russell
Cooper	Long, Mo.	Saltonstall
Edmondson	Long, La.	Smathers
Engle	McCarthy	Stennis
Ervin	McGee	Talmadge
Goldwater	McNamara	Thurmond
Gore	Pearson	

So Mr. GRUENING's amendment to the committee amendment in the nature of a substitute was rejected.

Mr. HUMPHREY. Mr. President, I move that the vote by which the amendment to the committee amendment was rejected be reconsidered.

Mr. FULBRIGHT. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

PRIVATE ENTERPRISE ADVISORY COMMITTEE FOR FOREIGN AID

Mr. JAVITS. On behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. MORSE], and the Senator from Alaska [Mr. GRUENING], I offer to the committee amendment, as amended, the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. On page 42 of the committee amendment, as amended, between lines 11 and 12, it is proposed to insert the following:

(b) At the end of section 601 add the following new subsection:

"(c) (1) There is hereby established an Advisory Committee on Private Enterprise in Foreign Aid. The Advisory Committee shall carry out studies and make recommendations for achieving the most effective utilization of the private enterprise provisions of this Act to the head of the agency charged with administering the program under Part I of this Act, who shall appoint the Committee.

"(2) Members of the Advisory Committee shall represent the public interest and shall be selected from the business, labor, and professional world, from the universities and foundations, and from among persons with extensive experience in government. The Advisory Committee shall consist of not more than nine members, and one of the members shall be designated as chairman.

"(3) Members of the Advisory Committee shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for travel and other expenses incurred in attending meetings of the Advisory Committee.

"(4) The Advisory Committee shall, if possible, meet not less frequently than once each month, shall submit such interim reports as the Committee finds advisable, and shall submit a final report not later than December 31, 1964, whereupon the Committee shall cease to exist. Such reports shall be made available to the public and to the Congress.

"(5) There is hereby authorized to be appropriated such sum as may be necessary to enable the Advisory Committee to carry out its functions."

On page 42, line 12, strike out "(b)" and insert "(c)".

On page 42, line 16, strike out "(c)" and insert "(d)".

On page 43, line 12, strike out "(d)" and insert "(e)".

Mr. JAVITS. Mr. President, the Senate Foreign Relations Committee report on H.R. 7885 clearly indicates that the foreign aid program needs major reorganization and reorientation. It is my considered view that nothing less than the assignment of a major role for private enterprise in foreign aid will save this vital program from successive even deeper appropriation cuts. Since 1958, I have been urging the Senate to take the lead in studying specific proposals for the introduction of American business into the aid program. Many of my proposals have been accepted. Properly applied foreign economic aid is so essential to our national interest that we must use every available resource including U.S. private enterprise as well as the organs of our Government in the endeavor to make it effective.

What is required is the marshaling of the private U.S. economy in a major and imaginative manner behind the development effort.

My amendment, which calls for the establishment of an Advisory Committee on Private Enterprise in Foreign Aid would begin to accomplish this purpose.

The purpose of this Committee would be to make recommendations to the Administrator of the aid program for achieving the most effective utilization of private enterprise in carrying out the objectives of the Foreign Assistance Act of 1961, as amended. The Committee would consist of not more than nine members—men and women of stature from the business and professional world, the universities, foundations, and persons with extensive experience in government. During the life of this Committee, it would make continuous recommendations in close cooperation with the head of the agency and with those actually charged with carrying out the private enterprise activities of the agency. The Committee would cease to exist at the end of 1 year.

The amendment springs from a suggestion of William S. Paley, chairman of the board of CBS. He aptly characterized the lack of close relationship of private enterprise to our aid program during the course of an address on foreign aid before the 49th National Foreign Trade Convention on October 20, 1962:

An obvious weakness of our aid program is the continuous failure to harness American private enterprise effectively to the development task. Each year language stressing this need is piously included in the aid legislation. But year after year the matter remains deadlocked; Government on the one side skeptical of giving private interests special advantages; and private business on the other side unprepared to use stockholders' money without greater guarantees or inducements than are now offered.

What is needed is a formula, or mechanism, or set of ground rules, which will harness the colossal power, imagination, and experience of American business and finance to the foreign development task. For several years leaders from various branches of American life have stressed this need and have proposed plans—for new credit devices, new kinds of guarantees, new forms of contracts, new patterns of business-government collaboration. But few of the ideas that have been put forward have been translated in action.

It is my considered view, and this view has widespread support in the business world, including Mr. Paley, that only through the high level advisory group that I propose can we revitalize and make a lasting success of our aid effort.

The time has arrived to recognize that the potential for the most dramatic contribution to the economic development of the free world lies in creating opportunities for the citizens in the developing nations to apply their own skill and resources in partnership with the private enterprise of the United States and other aiding nations and without unjustifiable interference and restraint by governments. In my view, the U.S. foreign aid program should be made the primary vehicle to demonstrate the great force of private enterprise for creating conditions for human opportunity and dignity and the evolution of stable and democratic institutions.

Although there has been notable progress in broadening the private enterprise activities of AID; namely, in the area of investment guarantees, support to local development banks, investment surveys,

dollar and local currency loans to private business and the Foreign Assistance Act of 1963, now before us, lends further emphasis to encourage and facilitate participation by private enterprise, the potential of private enterprise in the aid program has not been developed.

The foreign aid program has profited from infusion of new ideas from American business, universities, foundations on numerous occasions in the past, with major and beneficial results both in terms of specific legislation and new emphasis in terms of the national interest of the United States. The recommendations of the Harriman committee in 1947 resulted in the guidelines which served as ground rules for the Marshall plan; the Randall Commission in 1954 made a series of recommendations which in turn had major legislative consequences in the area of military aid, on the issue of loans versus grants, the formulation of projects supported by aid, and so forth; the Fairless committee in 1957 made recommendations regarding the greater utilization of private enterprise through foreign aid, pointed out the need for long-range economic development planning, reaffirmed the need of military aid expenditures and collective security; the Boescheustein committee in 1959 made a series of constructive proposals regarding development loans, investment guarantees, taxation and antitrust action; the report prepared in 1959 by Ralph I. Straus as special consultant to the Under Secretary of State for Economic Affairs pursuant to section 413(c) of the Mutual Security Act of 1954, as amended—an amendment which I proposed in 1958 and which was then accepted—further strengthened the role of the private sector in foreign aid by calling for the greater use of tax policy in stimulating foreign investment, the greater use of investment guarantees in lieu of direct loans; the creation of credit insurance for exports, direct Government dollar and Cooley loans to private enterprises abroad; and requested specific steps in the application of our antitrust laws to foreign investment.

The Clay Committee, in its March 1963 report, made a series of proposals regarding the entire program, a good many of which have been reflected in the bill reported out by the Senate Foreign Relations Committee, including a provision prohibiting assistance for Government-owned manufacturing, utility, merchandising or processing enterprises abroad; reductions in the overall authorization for the fiscal year 1963 program, and harder terms for development loans. The Senate Foreign Relations Committee's report on the fiscal year 1963 bill also calls for a greater concentration of U.S. aid in the future as well as the increased channeling of U.S. aid through multilateral agencies, further reflecting the Clay Committee's recommendations.

Some may say "Why have another advisory committee with the Clay Committee still in office?" I believe that there are at least three specific reasons why an advisory committee specifically charged to make continuing recommen-

dations regarding the effective utilization of private enterprise in the foreign aid program is essential now:

First. The Clay Committee created by the President on December 10, 1962, is not authorized by statute or an Executive order; the amendment I propose would authorize an advisory committee by the Congress to do a specific job for a specific period;

Second. While the Clay Committee is charged to look into all U.S. Government's foreign operations programs in the economic and military fields, the advisory committee I propose would devote itself specifically to improving the private enterprise operations of the program. The Clay Committee, given its broad task, cannot be expected to deal with such a specific problem on a continuing basis.

Third. I have discussed my proposal with AID Administrator Bell, who favors it as an important aid to the program.

The Senate by its actions this week has clearly indicated that unless the aid program is recast, the entire foreign aid program may be lost next year. This advisory committee would play a major role in the reshaping of this vital aid program so that by its more effective functioning it could assure its own continuance.

I am gratified that the amendment has found favor in the eyes of Senators who are opposed to many parts of the program—such as the Senator from Oregon [Mr. MORSE], who has been leading the opposition, and the Senator from Alaska [Mr. GRUENING]—and that it has also found favor in the eyes of Senators who very strongly favor the program, such as the Senator from Minnesota [Mr. HUMPHREY]—and also that the amendment is acceptable to the administrator of the program, Mr. Bell.

Mr. President, one thing on which all can agree is that there must be a better way. One of the great failures of the program has been the failure to tie it in directly with the U.S. private enterprise system, so that our corporations—both in regard to the aid side of the program and in regard to the technical assistance side—could themselves carry out whole sections of foreign aid, which essentially is a business operation.

For years, I have been convinced that this could be done more cheaply, more effectively, and with greater credit to our country and more impact on the countries which receive our aid if much of it were carried out by the U.S. private enterprise system.

I find it very interesting to note that in the bill it is proposed, for the first time, that use be made of the machinery of the International Bank for Reconstruction and Development, to channel loans.

Mr. SCOTT. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. SCOTT. I am glad the Senator from New York has offered the amendment, for I believe it has a meritorious aspect. I believe it most important that private enterprise be utilized to the maximum extent possible in connection with

the administration of our foreign aid. So I hope the amendment will be accepted by the Senator in charge of the bill, and I am very glad to support the amendment.

Mr. JAVITS. Mr. President, I appreciate very much the support of the Senator from Pennsylvania.

Mr. FULBRIGHT. Mr. President, will the Senator from New York yield briefly to me?

Mr. JAVITS. I am glad to yield to the distinguished Chairman of the Foreign Relations Committee.

Mr. FULBRIGHT. Mr. President, I have discussed the amendment with the able Senator from New York. As Senators know, for a long time he has been giving his attention to the problem of increasing participation by private enterprise in this field. I think the amendment is a good one, and I am very glad to accept it, for I believe it will make a definite contribution to improved administration of the bill.

Mr. JAVITS. I thank the Senator from Arkansas, and I am very appreciative of his support.

Mr. MORSE. Mr. President, will the Senator from New York yield briefly to me?

Mr. JAVITS. I yield.

Mr. MORSE. I am very glad that the distinguished Senator in charge of the bill, the chairman of the Foreign Relations Committee, will accept the amendment and will take it to conference. I believe it important that there be a yeas-and-nays vote on the question of agreeing to the amendment, for the benefit of the conferees. So, Mr. President, on the question of agreeing to this amendment to the committee amendment as amended, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, if the Senator from New York will yield further to me, I believe several points should be stated for the RECORD, for the assistance of the conferees.

Mr. JAVITS. In a moment I shall be glad to yield for that purpose to the Senator from Oregon.

Mr. President, this amendment springs from a speech made by William S. Paley, chairman of the Columbia Broadcasting System, on October 20, 1962, to the 49th National Foreign Trade Convention. Incidentally, I point out that he headed one of the major committees in the material resources field, which also, in its way, some years ago aided the Government.

I took up the proposal with the AID, and in that connection we have been attempting to find a plan by means of which this proposal would work. The Agency favors the amendment, particularly in view of the fact that it calls for an operation very much in line with a similar operation in connection with the USIA which has been very successful.

It is clear that it is most important that segments of the U.S. private enterprise system be utilized in order to carry this out.

Mr. President, as the chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT] so

kindly said, having worked in that field for so many years, it is very gratifying to me that we have finally come to the point at which the mechanism is accepted as an essential way in which to operate this great program.

I ask unanimous consent to have printed at this point in my remarks comparisons prepared by the AID of its own

private enterprise activity, which demonstrates how very essential it is that a mechanism such as the Advisory Committee on Private Enterprise would prepare should be introduced into the whole foreign aid program.

There being no objection, the comparisons were ordered to be printed in the RECORD, as follows:

Comparisons of AID private enterprise activity commitments or authorization basis, fiscal years 1963 versus 1962

[In millions of dollars]

	Fiscal year 1963	Fiscal year 1962
1. All U.S. economic assistance.....	1 2,427.1	2,617.1
(a) Of which development loans (including PSP).....	1,188.0	1,097.0
2. Development loans authorized with primarily private impact:		
(a) Direct to private undertakings (#).....	2 167 (14)	(?)
(b) Nonproject commodity loans.....	2 531.7	575.5
(c) Loans to development banks (#).....	2 95.5 (13)	69.5 (8)
3. Investment guarantees issued:		
(a) Specific risk coverage issued (#).....	214 (131)	267 (95)
(b) Specific risk outstanding June 30.....	884 (462)	796 (362)
(c) Extended risk coverage issued (#).....	(?)	
(d) Extended risk outstanding June 30.....	(?)	(?)
(e) LA housing coverage issued (#).....	1 (1)	
(f) LA housing outstanding June 30.....	1 (1)	
4. Cooley loans (Public Law 480, 104(g) authorized (#)).....	2 45.4 (38)	28.7 (43)
5. Investment surveys approved (#).....	10 0.345 (24)	0.002 (1)

¹ Total is for all AID commitments (using authorization for development loans), excluding Inter-American Development Bank trust fund but including PSP loans under development loans.

² Total of 14 loans for \$167 million includes fiscal year 1962 overlap of loans made by AID from its formation Nov. 4, 1962.

³ Development loans for purchase of commodities, components, machinery, and parts to sustain industrial production are considered to have primarily a private impact. Of the totals for fiscal year 1963 and fiscal year 1962, for example, nonproject loans to India alone totaled \$240 million and \$243 million, respectively, of which over 85 percent is estimated to have supported private industrial and commercial enterprises. Commodity loans financed by supporting assistance commitments (\$333 million and \$395 million in fiscal year 1963 and fiscal year 1962, respectively) may have comparable private impact, but differing primary purposes, are not included.

⁴ Loans to development banks facilitate lending to private activities in industry, agriculture, and housing. By June 30, 1963, AID and its predecessor agencies had authorized 57 dollar loans totaling \$372 million (net) for such institutions in 32 developing countries. Counting local currency loans, the United States has supported 85 such institutions in 46 countries with over \$1 billion in dollars and local currencies.

⁵ Total issued includes DLF all-risk guarantee extended in August 1962 to VALCO project.

⁶ All-risk guarantees issued by DLF are carried in specific risk totals.

⁷ As of September 1963, 7 extended risk guarantees have been authorized totaling some \$33 million for self-liquidating pilot housing projects in Latin America, and 4 others totaling some \$25 million are under intensive review.

⁸ Equivalent.

⁹ Between Jan. 1, 1962, and June 30, 1963, AID approved 68 Cooley loans amounting to \$61.2 million. During fiscal year 1964 AID approved the largest loan made to date—\$17.5 million equivalent in Indian rupees for a joint United States-Indian fertilizer plant which is receiving dollar financing from the Export-Import Bank. Currently some \$148 million of Cooley funds in 24 different countries are available.

¹⁰ As of September 1963, over 50 investment surveys costing an estimated \$1.3 million were being undertaken by potential private U.S. investors and operating companies in some 18 less developed countries. Surveys cover possible investments in such fields as papermaking, prestressed concrete, food processing, and plastics. The United States may bear up to half of survey costs, but only if investment does not result.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEATING. I wish to express my strong support for the amendment offered by my colleague. It would be a constructive and effective addition to the bill. I compliment the Senator on the initiative and farsightedness of the proposed language.

I know that a recommendation has been made in the committee report that more aid be granted through international organizations. This may raise serious questions since under existing law U.S. firms provide 80 percent of the goods used under the program. If international institutions were used, U.S. firms would have no preference. Contracts might even go to Communist countries for equipment paid for by U.S. dollars. It seems to me that one of the things which the Advisory Committee, which would be established under the amendment of my colleague, could well do, would be to look out for the interests of American enterprise and American workers in connection with any change in the focus or method of giving aid to international organizations. On this point, as on

others, I feel that the leaders of American business and labor should have a voice, and the amendment offered by the Senator will give them an opportunity to be heard.

Mr. JAVITS. I am very grateful to my colleague.

Mr. MORSE. Mr. President, I wish to speak for the purpose of clarifying the record for conference reference. Many of us have frequently been in conference when we have been asked by the conferees to show them the basis for the action taken by the Senate. The Senator from New York deserves great credit for the work that he has been doing in that field, particularly in connection with the wonderful work that he has been doing in Mexico. He has gone to Mexico several times and has talked with business groups in connection with the object of trying to arrive at an arrangement whereby a private segment of our economy would play a great role in carrying out our foreign aid program.

In recent years I have spoken before on various occasions to U.S. Chamber of Commerce groups in various Latin American countries and other American businessmen's groups not associated

with the U.S. Chamber of Commerce abroad. I have always discussed in those speeches, in part, the need for considering our American businessmen and organizations abroad as American economic ambassadors working with the State Department.

I speak only of Latin America because I do not know what the situation is in other countries, but I suspect that it is no different. At least in Latin America there is a very great feeling on the part of our American business interests that they have not been taken into a cooperative partnership arrangement with our State Department and with our foreign aid Administrator in connection with the administration of our foreign aid program. Great sums of money could be saved. Responsible and reliable business interests abroad would consider this an opportunity for great public service on their part, patriotically motivated.

I should like to cite an example or two. First, I refer to the housing program in Latin America. We are working hard to export to Latin America a system of building and loan associations. It is true that the National Organization of Building & Loan Associations has been cooperating with us. For example, it has made available to us some of their men. To mention two, there is Mr. Gordon, and Mr. Courshon, who have worked with my committee not only in Latin America but they have worked for the State Department in Africa in connection with the building and loan concept. That kind of housing program should not be administered by AID at all, except that AID should be in the seat of overseeing—with the position of, shall I say, a regulator. But the actual administering of that part of the program should be done entirely by the private segment of the economy under such rules, regulations, and policy restrictions that we can justifiably impose.

That is not the only segment of the private economy that can be put to work under the AID program. We are trying to be of assistance in Latin America in connection with the building of some basic industry.

For example, I have been in a couple of great steel plants in Latin America built by American concerns. One is in Argentina and another is in Brazil. Both were built by the McGee Construction Co. of Ohio. The McGee Construction Co. of Ohio—at least their executives, their policymakers—and other companies in the heavy construction industry, such as the McGee Construction Co., ought to have turned over to them, under the supervision of the AID program, a very important administrative job in connection with the developing of heavy industry under the AID program.

We might go on down the line. The Senator from Kansas [Mr. CARLSON] is present in the Chamber. In connection with the first item mentioned, namely, the matter of housing, in his State there is a company that could make a great contribution in the field of housing, not only in connection with the building pro-

gram itself, but also with the know-how that ought to be brought to work in connection with the administration of the whole housing program under AID.

What we are pleading for is a delegation of authority, under reasonable supervision, to segments of the private economy best qualified to administer the program.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Kansas.

Mr. CARLSON. I heartily concur with the pending amendment. I think it is most important to begin to develop as rapidly as we can, full cooperation between the Alliance for Progress in Latin America and private industry. We are making progress. But I believe that there is still plenty of room for more. The distinguished Senator from Oregon mentioned housing. I am proud of the fact that the Garvey Corp. in Wichita, Kansas, has built some homes in Peru. They are attempting to build some in Colombia and other Latin American states. That is a project of private industry. I believe that is the way we should proceed. That is one way to improve the situation in that area.

Mr. MORSE. Mr. President, the last point in making the legislative record, before I take my seat, is that I believe the proposal will prove to be the most beneficial effect of our program in Latin America. I will confine myself to Latin America. This would also be true of other parts of the world. What are we really trying to do under our Alliance for Progress program? We are attempting to establish a system of economic freedom for the benefit of all the people of Latin America.

It is not easy to establish such a system. It is necessary to export the institutions which have the technology and the know-how to create the industries and the businesses which will produce the jobs which will make men economically free. What we really are attempting to do is to export the form of economic freedom, as we implement economic freedom, called the private enterprise system.

If we cannot sell the private enterprise system in Latin America we can forget about political freedom in Latin America. We must get the horse before the cart, instead of the cart before the horse. That is what has been wrong with much of our Latin American policy for many years. We have been trying to talk to those people in terms of political reforms, which has been a waste of our time and our money. We must talk to them and act with them in relation to our economic forms. Then they will achieve political freedom.

It is necessary to establish building and loan associations, to build heavy industries, not on a government-to-government basis but on a project-to-project basis, so that the private segment of the American economy can be the economic ambassadors and administrators representing the U.S. Government—under fair regulations. Then economic freedom will be established; and we shall

not have to worry about political freedom.

I could take more time—but I shall not—to list one type of industry and business after another which needs to be established in Latin America so that political freedom can be made secure.

Consider the question of finance. Consider the small business operation. Why should it not be done by a direct relationship between representatives of American business and representatives of Latin American business? The bureaucrats may be hesitant about that, but if it should result in diminishing an already overpopulated bureaucracy in connection with foreign aid, so much the better for the Javits amendment.

There were many long discussions in the Committee on Foreign Relations about the overmanning of the foreign aid program. It is overmanned. We could save great sums of money by cutting into the surplus personnel of foreign aid around the world.

Many complaints have been made to us by people who have gone to various parts of the world and have found a surplus of personnel in the foreign aid program. This amendment would help in that regard.

If wisely used and developed, this proposal could help to decrease some waste in foreign aid, and to decrease personnel as well.

The important thing is that the amendment would give us a great opportunity to export our system of private enterprise. Until we can make that available to the masses of the people in Latin America, we shall not have an opportunity to make political freedom secure there.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I shall complete the argument, and then the Senate can vote. I wish to mention two things which I consider to be quite important.

If we are to do this, and do it honestly and well, there is required a revised view on the part of AID and the State Department. This has been one of the real problems in respect to cooperation between private enterprise and the Government, in that there has been a mutual suspicion. It is to be hoped that the committee will be high level enough and representative enough to dispel that suspicion. That is important, Mr. President.

I started representing business when I was a young man, and later represented big business. I know it from being closely associated with it. I know how important this consideration is.

Secondly, the efforts of well-intentioned men, like the Senator from Oregon [Mr. MORSE] and other Senators who feel deeply that something is wrong with the aid program, are inevitably frustrated because no alternatives are proposed for our consideration.

I should like to have the legislative history show that if the committee is to be worth its salt—and its record is yet to be made—it must help us by providing alternatives, so that those who have a deep disquiet about this program may

have something else to which to turn, for which to put up a case. As we stand now, we do not have that.

I hope very much that the Senate will approve the amendment.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ALLOTT. I believe the amendment of the Senator from New York is praiseworthy. However after watching the operations of the State Department over the past few years, I must say that nothing reminds me more of their actions as the little signs I have seen in country stores all over my own State and in small offices elsewhere, bearing the whimsical expression, "Don't confuse me with the facts—my mind is already made up." I do not ask my questions humorously. I am serious.

Does the Senator believe the State Department will pay any attention to the report of this commission? I do not question that the commission could make a contribution, but what attention does the Senator believe the State Department would pay to it?

Mr. JAVITS. One of the things we have been short of is affirmative alternatives. Frankly, I do not know whether the State Department will pay any attention to the report or whether the State Department will treat it as a pleasant boondoggle which I and other Senators have engaged in.

I believe it will be supremely important in giving us some kind of text from which we can argue, from which we can suggest alternatives. That is what we are really short of.

The State Department has the staff, the equipment, the facts, and the figures it requires. Although we know there is something wrong, all that we can do is to cut the program to ribbons. That is the only alternative we have. I should like to have another choice.

I hope the State Department will give this question the attention and devotion which it deserves. If it does not, at least we shall have something upon which we can base a policy—with some knowledge, some facts and some background—instead of being bereft, as we are today, of proper alternatives.

Mr. ALLOTT. I should like to ask the Senator another question in all seriousness. We have witnessed the confiscation of property in many countries; such has occurred in the past few days.

Does the Senator believe that a Commission could stop such confiscation of property? This is an important matter, because until assurance can be given, businessmen will not invest in Latin America. Anyone who invests there now, generally speaking, I would consider to be quite foolish.

What can the Senator say with respect to how his amendment might affect what seems to be a generally uniform policy in Brazil, Peru, and other places to nationalize industries and to confiscate American property and American goods of the American businesses who have gone into such countries to do exactly the job the Senator wishes to have done?

Mr. JAVITS. In the first place, there is nothing universal about the situation

in Latin America. On the contrary, the tide has turned in Argentina and in Peru. There is a much better situation in Venezuela. There is a good situation in Colombia. Mexico is unique in achievements in Latin America.

My first answer is that there are positions of strength in Latin America which can be buttressed and sustained, which should not be let go the way of others.

Second, the American business community is heavily involved in Latin America today. If my memory serves me correctly—and I believe I am correct—the figure for American investment in Latin America now is between \$8 billion and \$9 billion, with thousands of Americans employed. There is a constant reinvestment of earnings, though the net investment now is only some \$200 million a year, which is very small and one of the real disasters Latin America has faced. So there is a big stake, and there are involved many persons who can accomplish constructive ends.

Third, it is conceivable that this program might be accomplished by private enterprise acting as an agency of the Government, carrying out Government contracts. There would be a great saving overhead for a bureaucracy, and there would be available the capability of persons who do not have to be trained for the job and who could be employed in the foreign aid program.

For all those reasons, much as I join with the Senator in deprecating the way certain Latin American countries commit economic suicide when they destroy the climate for investment by private enterprise, I still think there remains an area and an opportunity for this kind of program to be effective.

Mr. ALLOTT. There is in this area an opportunity; but I would not, by my silence want it understood that I believe the list of countries the Senator has cited is an accurate list. The Senator apparently has been reading different books and receiving different mail and has different friends from those I have in Latin America, because I cannot go along with him in that respect.

While I am reluctant to support additional boards and bureaus, I shall support the pending amendment because we must explore the area; we must get something done. However, I have some question about whether the State Department will cooperate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Vermont.

Mr. AIKEN. Can the Senator estimate the cost of the amendment?

Mr. JAVITS. I hesitate to state a minimal figure, but I would say not more than \$50,000. No compensation is provided for members of the committee; it is strictly a housekeeping arrangement.

Mr. AIKEN. What advantage would this committee have over Standard Oil of New Jersey, Anaconda Co., Grace Line, and other powerful corporations that are already doing business there? If I really wanted to obtain information or advice on these out-of-the-way places, I think I could obtain more

information by going to one of those corporations than by going to a Government agency. What is the advantage of getting this advice?

Mr. JAVITS. It is not a Government committee; it is a private enterprise committee entirely. It will give out pooled advice. Various segments of private industry will also debate the question with each other, checking the advice against each other. Incidentally, many of these people will not meet with one another now for fear that somebody is going to charge them with violation of the antitrust laws.

In addition, it will introduce other elements into the area, such as labor and educational institutions—it is not a very big committee; it has a limitation of nine—in an effort to do the job.

Mr. AIKEN. If a committee of businessmen doing business in foreign countries were to get together, the antitrust laws would not apply to their findings. Is that correct?

Mr. JAVITS. It would not if they confined themselves to the mandate of the law, namely, how foreign aid can best function in the private enterprise area.

Mr. AIKEN. The Senator does not think they would do anything else?

Mr. JAVITS. I think we would have enough Government officials around to guarantee against that.

Mr. MORSE. Mr. President, I think the Senator from Colorado has raised a good question. Next week we shall have an amendment or two to broaden the Hickenlooper amendment with relation to nationalization of industries in Latin America. I think it needs to be broadened.

In regard to this amendment, the question was raised as to whether the State Department would pay much attention to it. Judging from the way it has ignored suggestions in the past, one would think the answer should be "No." However, things have since changed. I have the lurking suspicion that since the debate on the bill and the changes made in it, this being the first time such changes have been made, it may dawn on the State Department that Congress means business in regard to the foreign aid program. I would not be surprised if the State Department cooperated with us in putting into effect the objectives of the amendment.

Mr. HUMPHREY. Mr. President, I am happy to cosponsor this amendment with the senior Senator from New York. The Javits-Humphrey amendment could do much to strengthen the foreign aid program; it could do much to win widespread support for the aid agency within the business and professional community in this country.

The Senator from New York has done much to strengthen and increase participation by the American private enterprise sector in the foreign aid program. I am happy to be associated with Senator JAVITS in the joint effort growing out of the NATO Economic Committee to strengthen the private enterprise sector in Latin America. I refer to the work of the Atlantic Community Development Group for Latin America.

I believe that the inclusion in an advisory committee of leading representatives from the fields of business, labor, and the professions can prove invaluable to those charged with administering the AID program.

The Senate Foreign Relations Committee has recommended for consideration by the executive branch, a number of changes in the direction of the foreign aid program. In considering these recommendations, a highly qualified advisory committee should be of invaluable assistance.

The PRESIDING OFFICER (Mr. McINTYRE in the chair). The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS], for himself and other Senators, to the committee amendment, in the nature of a substitute, as amended.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the aforementioned Senators would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON] and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 74, nays 0, as follows:

[No. 220 Leg.]

YEAS—74

Aiken	Brewster	Dirksen
Allott	Burdick	Dodd
Anderson	Cannon	Dominick
Bartlett	Carlson	Douglas
Bayh	Case	Eastland
Beall	Church	Ellender
Bennett	Clark	Fong
Bible	Cotton	Fulbright
Boggs	Curtis	Gruening

Hart	Mansfield
Hayden	McClellan
Hickenlooper	McGovern
Hill	McIntyre
Hruska	Mechem
Humphrey	Metcalfe
Inouye	Miller
Jackson	Monroney
Javits	Morse
Jordan, N.C.	Morton
Jordan, Idaho	Moss
Keating	Mundt
Kennedy	Muskie
Kuchel	Nelson
Lausche	Neuberger
Magnuson	Pastore

NAYS—0

NOT VOTING—26

Byrd, Va.	Holland	Robertson
Byrd, W. Va.	Johnston	Russell
Cooper	Long, Mo.	Saltonstall
Edmondson	Long, La.	Smathers
Engle	McCarthy	Stennis
Ervin	McGee	Talmadge
Goldwater	McNamara	Thurmond
Gore	Pearson	Yarborough
Hartke	Ribicoff	

So Mr. JAVITS' amendment to the committee amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. KEATING. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUSCHE. Mr. President, I have sent an amendment to the desk, which I now offer.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, between lines 12 and 13, it is proposed to insert the following:

(4) The second sentence of subsection (f), as amended by paragraph (3), is amended by inserting a period after the word "Act" and striking out the remainder of such sentence.

On page 47, line 13, redesignate the paragraph beginning on such line as paragraph (5).

Mr. LAUSCHE. I shall speak for not more than 5 minutes.

Mr. MORSE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, is the Senator's amendment printed?

Mr. LAUSCHE. No; it is not.

I direct the attention of Senators to page 67 of the report, subsection 620(f). That is the subsection with which my amendment deals. Subsection (f) specifically declares:

No assistance shall be furnished under this act, as amended (except section 214(b)), to any Communist country.

Section 214(b) deals specifically with some hospital aid to Poland.

Subsection (f) further provides:

This restriction may not be waived pursuant to any authority contained in this act.

To that extent the language in the act will remain as it is, except that a period will be placed after the word "act." There will be stricken from that subsection the language:

This restriction may not be waived pursuant to any authority contained in this act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by

the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

My amendment would absolutely bar the granting of aid under the Foreign Assistance Act, but not under Public Law 480, to any Communist country. The following language would remain in this section as it is:

For the purposes of this section, the phrase "Communist country" shall—

Mr. MORSE. Did the Senator say that paragraph (g) would remain as it is?

Mr. LAUSCHE. No. What I shall read now would remain as it is:

For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

On page 68 of the report the countries which are now known as Communist countries are specifically identified. This specific identification does not preclude the administrator from declaring other countries to be Communist. The specific identification includes Poland and Yugoslavia.

The Proxmire amendment, adopted yesterday, specifically prohibits the granting of foreign aid to Yugoslavia. My amendment would specifically prohibit the granting of foreign aid, but not aid under Public Law 480, to any of the countries identified in this measure.

Mr. MORTON. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield to the Senator from Kentucky.

Mr. MORTON. The Senator's amendment would be in consonance with the action taken by the Senate yesterday in adopting the Proxmire amendment, by making his amendment apply to all Communist countries.

Mr. LAUSCHE. That is correct.

Mr. MORTON. Is the Senator certain that his amendment would not preclude Public Law 480 relief?

Mr. LAUSCHE. Yes; because my amendment relates to aid "under this act." I do not say "under this or any other act."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. AIKEN. I assume that the Senator's amendment is, perhaps, aimed not only at Yugoslavia, but also at Poland and all other Communist countries. Can the Senator tell us how much of the land in Yugoslavia is publicly owned?

Mr. LAUSCHE. It is claimed that substantial parts of the land in Yugoslavia are privately owned and not collectivized; but the fact is that there is indirect collectivization through the imposition of huge taxes.

Mr. AIKEN. Such as in the United States?

Mr. LAUSCHE. And through the exaction of other tribute. In theory, the land is privately owned; in fact, it is collectivized.

Mr. AIKEN. Can the Senator from Ohio tell us who owns the electric lines in Yugoslavia?

Mr. LAUSCHE. They are government owned.

Mr. AIKEN. Who owns the railroads?

Mr. LAUSCHE. The government owns them.

Mr. AIKEN. Is the Senator certain of that?

Mr. LAUSCHE. Yes; the government owns everything in Yugoslavia except, possibly, some paltry shoe shop or barber shop, or operation of that type.

Mr. AIKEN. Does the government own most of the shops and enterprises in Yugoslavia?

Mr. LAUSCHE. Yes; except the small enterprises, such as I have mentioned.

Mr. AIKEN. How does it happen that Yugoslavia has laws pertaining to bankruptcy and other activities, such as we have in the United States?

Mr. LAUSCHE. I cannot answer that question. Yesterday the Senate adopted the Proxmire amendment, which dealt with Yugoslavia. I desire to make the law applicable to all Communist countries alike.

Mr. AIKEN. I agree with the Senator from Ohio that if the law is applied to Yugoslavia, it should apply to all other Communist countries, as well. But does the Senator undertake to make the law apply to shipments under Public Law 480?

Mr. LAUSCHE. I do not.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CHURCH. Is it not correct that at the present time, having adopted the Proxmire amendment, we are confronted with the anomalous situation of requiring the President to make certain findings respecting our national security, which findings, if made, would permit aid to be given to such Communist countries as the Union of Socialist Soviet Republics and Red China themselves?

Mr. LAUSCHE. The Senator is correct.

Mr. CHURCH. But not to the one Communist country, Yugoslavia, which has given evidence of being less dominated by the international Communist conspiracy than any other? Is not the Senator, by his amendment, seeking to apply the prohibition equally to all Communist countries, instead of selecting Yugoslavia for more onerous treatment than would be given any other such country?

Mr. LAUSCHE. The Senator from Idaho has described the situation accurately.

Mr. CHURCH. I commend the Senator for offering his amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. FULBRIGHT. I am perfectly willing to accept the amendment. The Senator has already explained it. I desire to add one comment. No aid is provided in this bill for any Communist country. While the words of the amendment make certain the understanding that such aid will not be granted, I did not want the implication to be left that the administration was preparing to dole out billions of dollars to Communist countries.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield once more?

Mr. LAUSCHE. I yield.

Mr. AIKEN. Inasmuch as the amendment adopted yesterday applied to Yugoslavia, which, in my opinion, is the least Communist country of the Eastern Europe group, it should apply also to other Communist countries. Therefore, I have no objection to the amendment.

The PRESIDING OFFICER. Did the Senator from Ohio ask for the rescinding of the order for the yeas and nays on his amendment?

Mr. LAUSCHE. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE] to the committee amendment in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. McCARTHY], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Georgia [Mr. TALMADGE], the Senator from South Carolina [Mr. THURMOND], and the Senator from Tennessee [Mr. WALTERS], are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the aforementioned Senators would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 74, nays 0, as follows:

[No. 221 Leg.]

YEAS—74

Aiken	Case	Gruening
Allott	Church	Hart
Anderson	Clark	Hayden
Bartlett	Cotton	Hickenlooper
Bayh	Curtis	Hill
Beall	Dirksen	Hruska
Bennett	Dodd	Humphrey
Bible	Dominick	Inouye
Boggs	Douglas	Jackson
Brewster	Eastland	Javits
Burdick	Ellender	Jordan, N.C.
Cannon	Fong	Jordan, Idaho
Carlson	Fulbright	Keating

Kennedy	Morse	Scott
Kuchel	Morton	Simmons
Lausche	Moss	Smith
Magnuson	Mundt	Sparkman
Mansfield	Muskie	Symington
McClellan	Nelson	Tower
McGovern	Neuberger	Williams, N.J.
McIntyre	Pastore	Williams, Del.
Mechem	Pell	Yarborough
Metcalfe	Proxmire	Young, N. Dak.
Miller	Proxmire	Young, Ohio
Monroney	Randolph	

NAYS—0

NOT VOTING—26

Byrd, Va.	Holland	Robertson
Byrd, W. Va.	Johnston	Russell
Cooper	Long, Mo.	Saltonstall
Edmondson	Long, La.	Smathers
Engle	McCarthy	Stennis
Ervin	McGee	Talmadge
Goldwater	McNamara	Thurmond
Gore	Pearson	Walters
Hartke	Ribicoff	

So Mr. LAUSCHE's amendment to the committee amendment, as amended, was agreed to.

Mr. LAUSCHE. Mr. President, I move that the vote by which my amendment to the committee amendment was agreed to be reconsidered.

Mr. FULBRIGHT. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. LAUSCHE. Mr. President, I call up and offer, to the committee amendment, as amended, my amendment No. 294.

The PRESIDING OFFICER. The amendment of the Senator from Ohio to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. On page 52 of the committee amendment, as amended, beginning with line 15, it is proposed to strike out through line 5 on page 53, as follows:

SEC. 402. Section 231 of the Trade Expansion Act of 1962 (Public Law 87-794, approved October 11, 1962) is amended as follows:

(a) Insert "(a)" before the words "The President shall".

(b) Add the following new subsection:

"(b) The President may extend the benefits of trade agreement concessions made by the United States to products, whether imported directly or indirectly, of a country or area within the purview of subsection (a), when he determines that such treatment would be important to the national interest and would promote the independence of such country or area from domination or control by international communism, and reports this determination and the reasons therefor to the Congress."

On page 53, in line 6, it is proposed to strike out "Sec. 403" and insert in lieu thereof "Sec. 402".

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield briefly to me?

Mr. LAUSCHE. I yield.

Mr. DIRKSEN. I wish to ask the majority leader about the schedule for the remainder of today.

Mr. MANSFIELD. Mr. President, I am glad this question is raised, because there have been some queries as to what will be the business of the Senate for the rest of the evening.

It is my understanding that the disposition of the pending amendment to the committee amendment will conclude the business of the Senate for today.

ORDER FOR RECESS TO TUESDAY, AT NOON

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that when the Senate completes its business this evening, it stand in recess until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. DIRKSEN. Mr. President, let me inquire whether the Senator from Ohio expects to have final action on his amendment taken this evening.

Mr. LAUSCHE. Yes, for I shall not speak for more than 5 minutes in discussing the amendment.

Mr. MORSE. Mr. President, on the question of agreeing to the Lausche amendment to the committee amendment, as amended, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, I think my amendment will be best understood by referring to page 81 of the report. The amendment deals with the Trade Expansion Act of 1962.

The provision deals with section 231, which in the unitalicized lettering contains the language of the present law. The present law reads as follows:

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS

(a) The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other important restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by communism.

The material which my amendment would strike is set forth in italicized letters on page 81. That italicized language gives the President discretion under certain circumstances to grant favored-nation treatment, notwithstanding the language contained in the existing law. If the amendment were adopted, that italicized language would be stricken, and the law as it is now written would continue in existence. The President would be required, as soon as practicable, to suspend and remove favored-nation treatment from Communist countries. No Communist country would be excepted. All countries would come within the provisions of the law. The difference between my amendment and the amendment upon which the Senate last voted is that the preceding amendment was primarily and completely related to the Foreign Assistance Act. My amendment deals with the Trade Expansion Act of 1962.

I am prepared to answer any questions that Senators wish to ask.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield.

Mr. CURTIS. In order to clarify what is involved, I should like to ask the Senator a question. Under the existing law the most-favored-nation treatment is not accorded to Communist countries. Is that correct?

Mr. LAUSCHE. That is correct.

Mr. CURTIS. If the amendment of the Senator from Ohio is agreed to, will the existing law continue in effect?

Mr. LAUSCHE. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. FULBRIGHT. The action last year in relation to the Trade Expansion Act has not been put into effect, but is pending the outcome of the action of the Senate. Yugoslavia has had most-favored-nation treatment since 1881.

The significance of the proposal is that if we do not reject the amendment of the Senator from Ohio, that provision will go into effect and the most-favored-nation treatment will be withdrawn. But it has not yet been withdrawn.

Mr. LAUSCHE. The Senator has accurately described the situation. But I also feel that my answer to the question of the Senator from Nebraska [Mr. CURTIS] is accurate. Under the law as it now reads, the President is required, as soon as practicable, to terminate export and import trade with Communist countries. The act was passed in 1862, but not up until the present time has the President deemed it to be practical to terminate the most-favored-nation treatment.

Mr. CURTIS. In order to make the situation clear, if the amendment of the Senator from Ohio is adopted, most-favored-nation treatment cannot be continued to Yugoslavia?

Mr. LAUSCHE. Or to any other Communist country. That is correct.

Mr. CURTIS. It applies to Yugoslavia or to any other Communist country.

Mr. FULBRIGHT. That is correct.

Mr. CURTIS. "Most-favored-nation treatment" means that the recipient country of most-favored-nation treatment can receive the lowest tariff or have granted to it the lowest import restrictions that are granted to any country in the world.

Mr. LAUSCHE. The Senator is correct.

Mr. CURTIS. If a country should not receive the most-favored-nation treatment, it would operate under our ordinary tariffs that are in existence.

Mr. LAUSCHE. That is correct.

Mr. CURTIS. If a country does not have the benefit of most-favored-nation treatment, its goods are not necessarily barred from our country.

Mr. LAUSCHE. The Senator is correct.

Mr. CURTIS. No additional penalties are imposed.

Mr. LAUSCHE. That is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. DOUGLAS. I should like to address a question to the Senator from Ohio and possibly also to the Senator from Arkansas. Is not the term "most-favored-nation" something of a misnomer? A nation which is said to be given "most-favored-nation" treatment is not given an exclusive privilege, is it, but is it not merely given the same rights which other countries receive under that clause? In other words, the country is given equality of treatment and not a special or unique favor. Is that not true?

Mr. LAUSCHE. That is true with respect to all nations that come within that category, but I would say that the term "most favored nation" does not mean that one particular nation has preferential treatment over and above all others.

Mr. DOUGLAS. I thank the Senator. Is it not true that there are in effect most-favored-nation agreements with approximately 44 countries, including all the countries inside GATT, and also including some of the countries outside GATT?

Mr. LAUSCHE. The Senator is correct.

Mr. FULBRIGHT. That is correct.

I should like to make a comment with particular reference to the question asked by the Senator from Nebraska to illustrate the effect of the amendment. The Senator has said that the amendment would not bar any trade; it would not legally or theoretically. But in practice it would. For example, I call attention to some of the items that we import from such countries.

Consider the item of bristles. Under the most favored nation agreements the tariff is 2 cents a pound. That would be increased to 3 cents a pound, which would be a 50-percent increase.

Chicory root would be increased from 1 to 2 cents.

Cherry juice would be increased from 17 cents a gallon to 70 cents a gallon.

For all practical purposes we would make those items, and others, so competitive that the countries involved could not trade with us.

One of the larger items is willow bags and baskets, on which the present tariff is 22½ percent. That percentage would be increased to 50 percent if the amendment is adopted.

Tobacco is one of the larger items. The tariff would be increased from 12¾ cents a pound to 35 cents a pound. In that field there is competition with Turkey and Greece, because the tobacco they produce is needed by manufacturers in our country to blend with our domestic tobacco.

I have in my hand a three-page letter, which I shall not read, from the Tobacco Institute, in which a strong case is made by the Tobacco Institute against the position of the Senator from Ohio. The Tobacco Institute wishes to retain the existing treatment of trade with Yugoslavia for the benefit of our own tobacco manufacturers.

I also have a similar communication from the largest beer manufacturer in

this country, Anheuser-Busch, which is located in St. Louis. They buy hops. According to that manufacturer, the amendment would play "hops" with their business. It would disrupt their business.

Mr. CURTIS. Mr. President, will the Senator from Ohio yield so that I might ask the Senator from Arkansas one further brief question?

Mr. LAUSCHE. I yield.

Mr. CURTIS. What is the date of the trade agreement with Yugoslavia, what was the territory called at the time the agreement was made, and what was its form of government?

Mr. FULBRIGHT. The original treaty was with Serbia in 1881, and the succeeding government includes Serbia, which was the largest element in the area. The new country succeeded to that treaty, and it has been so treated since Yugoslavia's creation. There has been no interruption in that relationship.

Mr. CURTIS. But there has been no additional treaty?

Mr. FULBRIGHT. No.

Mr. CURTIS. It is contended that the Tito government should have the most-favored-nations treatment by reason of a treaty made with Serbia in 1881?

Mr. FULBRIGHT. The country has had the benefit of the agreement all during the period since. The agreement has never been abrogated.

Mr. CURTIS. I know that that is the administrative finding of the State Department.

Mr. FULBRIGHT. That is a fact. The treaty contains a provision that on a year's notice it may be abrogated. But the question is not whether or not it can be abrogated. There is no doubt that we could take such action. I am not arguing that this necessarily is a violation of a treaty.

I only say that it involves a treaty. The question at issue is the wisdom of doing this. I did not mean to leave the impression that in any case it would be illegal, or ultra vires, or anything else. It is a question of wisdom.

Several Senators addressed the Chair.

Mr. LAUSCHE. Mr. President, I have the floor.

There are other segments of our economy which take a position contrary to the position taken by those who have written the letters received by the chairman.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I wish to reinforce what the distinguished chairman of the committee [Mr. FULBRIGHT] and the distinguished Senator from Illinois [Mr. DOUGLAS] have said. This procedure does not extend a preferential treatment. What has happened, in effect, is that a repository has been carried over from the time of the Austro-Hungarian Empire, in the latter part of the last century. The later repository was the Government of Serbia, for the Government of Yugoslavia.

That really is not of great importance, except politically. If this procedure

which has been recommended by the committee is not agreed to, we shall be shifting Yugoslavia more toward Moscow and more away from the West. By following the procedure recommended by the committee, there will be a chance to keep them moving more toward us.

Mr. FULBRIGHT. I believe that it will have great political significance so far as the future is concerned, not only with respect to Yugoslavia, but also with respect to all countries of Eastern Europe. They do not have such a position now, but I believe it is the policy of all of us that it is to be hoped that sooner or later the relations of those countries with the Kremlin will be loosened. If there is any way in which that can be accomplished, it is through the developing of some trade with them.

Mr. MANSFIELD. How much of the trade of Yugoslavia is now with the West? I believe the figure is 70 percent.

Mr. FULBRIGHT. The trade of Yugoslavia with the West is now between 75 and 80 percent. Most of that trade is with Western Europe. Our trade with Yugoslavia is not great.

Mr. MANSFIELD. That is correct. As I understand the situation, if Yugoslavia is not given the most-favored-nation treatment—which is not a special privilege—the trade perhaps will change to a formula of 30-70, going in the other direction.

Mr. FULBRIGHT. Yugoslavia could be forced into that position.

We can look at the list of products involved, and the shift in the amount of tariff which would be involved. They could not possibly compensate for that tariff.

There are many other people who are interested. I did not wish to bore the Senate by listing them all.

Considering that such a large jump would be involved, it would be quite unusual if Yugoslavia could sell anything, under that kind of burden.

Mr. JAVITS. Mr. President, will the Senator yield on that point?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. The absolutely decisive argument against the amendment is that the trade of Czechoslovakia, Bulgaria, and Rumania is completely oriented to the Soviet Union. That is what we would drive Yugoslavia into doing, if we were to take away the little inducement provided to keep some link with the West. I can think of nothing which would be more disastrous in terms of holding onto Central Europe and nothing which would be more helpful to Khrushchev than driving Yugoslavia exactly where economics has taken Czechoslovakia, Bulgaria, and Rumania. Once driven there, they will stay, because of the need for parts and machinery and all other things. The umbilical cord cannot be cut, once the direction is changed.

I hope very much that the Senate will not make such a colossal blunder.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. The Senator from Ohio has the floor.

Mr. SYMINGTON. Mr. President, will the Senator from Ohio yield to me?

Mr. LAUSCHE. First, I should like to make a statement.

By granting the most-favored-nation treatment, we are helping to perpetuate the Communist government in Yugoslavia. We are enabling that government to compete with our workers, with our manufacturers. We are giving encouragement to socialized operations, through contributions made by the businesses of the United States and the workers in the United States.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SYMINGTON. We are the bankers of freedom in Europe, the Middle East, and the Far East; and if all our allies are trading, to the extent that they actually are trading—for example, Canada, a half billion dollars of gold in the sale of wheat to Communist China; a half billion dollars of gold for the sale of wheat to Russia—how can we continue a situation where we continue the banking of the physical defenses of the free world unless we allow our private enterprise companies to trade with Communist countries on a basis at least reasonably comparable to that of our friends and allies?

Mr. LAUSCHE. Frankly, I have never subscribed to the philosophy or the principle that because somebody else does a thing which I believe is wrong I am justified in doing it. If we look at the facts, since World War II we have followed a policy of not giving aid in the perpetuation of communism by dealing with such countries.

Mr. SYMINGTON. We are not talking about aid now. We are talking about business trade.

Mr. LAUSCHE. We are talking about dealing with them.

Mr. SYMINGTON. Yes. The next question I ask relates to our continuing to lose a great deal of gold. Most people believe this loss of gold gives us an increasingly serious problem, as our gold continues to diminish. As I remember, the figures are some \$3 billion for offshore military expenditures in the banking of freedom, plus at least a billion dollars in aid. This gives a net unfavorable balance of \$4 billion for those two categories plus a tourism unfavorable balance of \$2½ billion. That is some \$6 billion-plus of an unfavorable balance of trade to start with. If this unfavorable balance continues, we automatically continue to lose gold.

If we do not permit our American private businessmen to trade with these countries, and our allies trade with them to their hearts' content, I do not see how we can do other than increase this serious unfavorable balance of payments. The latter, of course, cannot go on indefinitely, because our currency is expressed in gold and backed by gold.

Mr. LAUSCHE. I have read the articles which show that we are supposed to have a preponderance of exports over imports—let us say from Yugoslavia. None of the writers has pointed out that in calculating the total amount of our exports we do not include only the goods sold for dollars but also include Public Law 480 sales as if dollars had come in.

To illustrate what I have in mind, I have in my hand a letter of December 31, 1962, in reply to questions I asked about Yugoslavia. This letter came from Frederick G. Dutton, Assistant Secretary of State. It reads in part:

I am pleased to furnish you with the additional information requested in your letter of December 17, 1962, addressed to Mr. Lee. Of the \$153.9 million of U.S. exports to Yugoslavia in 1961, the \$80.9 million were for Public Law 480 shipments. This sum included \$64 million under title I and \$16.5 million under title III.

Senators will not believe this, but we have 312 billion—

Mr. AIKEN. Million?

Mr. LAUSCHE. Billion dinars; 312 billion.

Mr. SYMINGTON. The Senator will agree, will he not, that if the amendment is adopted this unfavorable balance of payments can only increase?

Mr. LAUSCHE. No. I believe that if we wish to liberate the Yugoslav, Hungarian, Polish, and Czechoslovak people from communism we must stop giving aid to the governments, by which they perpetuate themselves.

Mr. SYMINGTON. This is trade, not aid.

Mr. LAUSCHE. I understand that this is trade.

Mr. SYMINGTON. We are talking about trade only.

Mr. LAUSCHE. But trade is aid.

Mr. SYMINGTON. I do not wish to belabor the point, but believe we must consider the state of our own economy as of today. A great many of our friends and allies are not only trading with the Russians, private business, but at the same time are also trading heavily, for gold, with the Communist Chinese. We have reached the point today where we must borrow money from foreign countries in order to handle our foreign aid program, through the International Monetary Fund and through the sale of bonds to central banks abroad. Under those circumstances, how can this economy continue to exist successfully if we not only use more money in the aid program—and I heard the Senator say the other day he did not think the aid program should be cut below what it was the other night—but also we do not allow our private corporations to trade with these countries? While the private companies of other countries trade freely. I think this could guarantee economic catastrophe.

Mr. LAUSCHE. Yes, but when we sell to those foreign countries, those countries also sell products to us. I predict that at the 1964 Trade Conference, which is to be held in Geneva, we shall suffer a reversal that will be shocking, because GATT will be ruined and Red Russia will be wanting to sell to us and every other country will be wanting to invade our market.

I yield now to the Senator from Idaho [Mr. CHURCH].

Mr. CHURCH. I wish to state my reasons for opposing the amendment. I think it is gentlemanly of the Senator from Ohio to allow me to do so on his time.

I voted a moment ago in favor of the amendment by the Senator from Ohio which dealt with aid being given to Communist countries under the foreign-aid program. I voted against granting such aid. I voted against it the two or three times it has come up in recent years. I commend the Senator for his amendment.

However, we must make a distinction between the question of aid, whether it involves loans or grants under the foreign aid bill, and the question of normal commercial trade on a quid pro quo basis. We sell tobacco; we get back gold. We do not enter into the exchange unless we think it profits us to do so. Obviously, to the extent that we can promote exports, we are helping to adjust the serious balance-of-payments problem that the Senator from Missouri has referred to.

Moreover, I think it should be pointed out that the export licenses required under our laws, dealing with ordinary commercial trade, preventing the export of any kind of strategic material that might contribute to the war power potential, or any other material that might strengthen the Yugoslav Communist regime, in any way that is considered to be inimical to the interest of the United States, remain intact. Control over trading in strategic items remains undisturbed.

What the committee was trying to do was encourage normal trade with Yugoslavia in nonstrategic commodities, because the committee felt strongly that this was in the national interest of the United States.

Do we want Yugoslavia's trade oriented toward the Western World, or do we want it cemented in the Communist world? Do we want to encourage Tito's regime to augment its independence, or do we want to so root Yugoslavia's trade inside the Communist countries so as to leave it forever cemented within the Communist bloc?

If we are to look at all of the Communist lands as they are painted red on the map, we are conceding that the Communist empire is going to remain intact, and that we are going to deal with one monolithic entity forever more. But if we are to deal realistically with the situation and look at the differing national conditions that exist from one end of the Communist empire to the other, then we naturally should try to encourage the schism that is developing with respect to Yugoslavia and the rest of the Communist world. This is obviously in our national interest.

That is the reason why the committee is trying to strike down the prohibition which would prevent us from extending ordinary commercial relations to Yugoslavia. The real question is whether we want to do this in our own interest, or whether we want to lead Mr. Tito into Mr. Khrushchev's hands and glue him there forever?

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Oklahoma.

Mr. MONRONEY. I support the committee with respect to this amendment.

A few weeks ago, with the Interparliamentary Delegation of the United States, I had the privilege of being in Yugoslavia and having a conference with the officials that correspond with our Cabinet. They made it clear that they did not wish any more aid; that they were self-sufficient in agricultural commodities; that they were self-sufficient in other aspects of their economy. We saw a prosperous country filled with our products bought by their earnings from exports to the United States.

We were told they tremendously appreciate purchases, under Export-Import Bank financing, of the new type of diesel locomotives that power their railroad systems. They have bought several million dollars' worth of our transport equipment. They have bought factory machinery. We saw U.S.-built computer machines, which certainly are not the product of a suspect Communist organization, inside that Communist country. Many of our large corporations have gone into that country and have been licensed to do business there.

The men with whom we talked represented the equivalent of the Secretary of the Treasury, the head of their parliament, and the head of their state department. They explained why it is important to become a part of the most favored nation group, because they have oriented 75 percent of their trade toward the West, because they wanted to pay us in dollars for our exports, and because they thought the products that they had bought from us were the best in the world.

They said that had been so since they broke from the international trade pact with Communist Russia in 1958, and intended to continue that way, because they liked to trade with the West. We asked why? The answer was that the only way we could trade with the Soviets was to let them have the choice products they produced and that the Soviets needed, and the Yugoslavs would be offered surplus products that the Soviets and their Communist neighbors had in abundance, and for which the Yugoslavs had no use.

Mr. President, this is the way to penetrate the Iron Curtain. This is the way to show what freedom-loving America can produce and sell on the world market, if we give it a chance. We have cut out aid to Yugoslavia. We would be doing ourselves a great disservice, and doing freedom a great disservice, if we said we were going to have no trade with that country. We would force her to look to the East and reject the West. Perhaps the Government of Yugoslavia does not love us, but certainly the people of Yugoslavia do. They have many relatives in this country. They want to trade with America and sell us shoes and their carved woodenware. But, with the threat that this restriction is to be applied and they are not to receive the favored nation treatment, this trade has already decreased by 25 percent.

Mr. President, I think it is high time to take an adult stance in world trade. As was pointed out, an export license cannot be obtained to export anything of strategic value to such countries. Let us

be adult. The Red Kremlin does not give us a free ride or a sanctuary anywhere in the world without seeking to penetrate our trade areas. It is high time we were realistic. We have an opportunity to establish our trade in this area, where a strong Communist nation has maintained its independence from Russian trade treaties and the Russian military organization. I think it is high time to extend to this country that which we extend to almost every other nation except the Communist-controlled countries that are a part of the Moscow conspiracy. I think they ought to have a chance to buy American products and compete with the rest of the world on an even basis, to be given an opportunity to obtain dollars to buy goods from this country.

Mr. LAUSCHE. The Senator from Oklahoma has presented very effectively an argument that is applicable to what the Communist countries, and especially Yugoslavia, want, but in December of 1962, Tito went to Moscow. He conferred with Khrushchev. Khrushchev made statements. Tito made statements, redeclaring the fidelity of Communist Tito to the worldwide Communist cause.

Subsequently, Khrushchev went to Belgrade, and in Belgrade Tito and Khrushchev rededicated themselves to the cause of communism. Khrushchev went so far as to say to the Communists:

How can you argue that Tito is not a Communist? How can you say that, when practically everything is socialized?

In Moscow and in Belgrade this declaration was made to destroy capitalism and our country.

All that Tito has to do is honestly reorient himself to the West, which has done so much to help him—\$2,500 million of our money has gone to Tito. Less money, of course, has gone to Poland. Three hundred eighteen billion dinars are now in our possession.

Mr. SYMINGTON. What is a dinar worth?

Mr. LAUSCHE. That is an interesting question. The Senator's hair will stand up when I tell him. In 1955 when we initially began selling under Public Law 480, the dinar was worth 300 to the dollar. The last transaction of which I have a record shows that the dinar was worth 750 to the dollar. With a 750 to \$1 dinar Yugoslavia is paying off the 300 dinar to \$1 value of the 1955 debt. Our agreements provide for repayment in dinars. Most of the agreements provide for that.

Mr. MONRONEY. On trade?

Mr. LAUSCHE. On Public Law 480 transactions.

Mr. MONRONEY. We are talking about trade.

Mr. LAUSCHE. I am talking about Public Law 480. That is included in our trade.

Mr. MONRONEY. It is not included in the most-favored-nation trade.

Mr. SYMINGTON. If the money is scheduled to be used in that country, we receive less because of the automatic inflation of the currency, assuming the Senator's figures are correct, as I am sure they are.

Mr. LAUSCHE. Yes; they are correct.

I do not know the name of the Communist who made the statement:

Borrow money, sell to them. See to it that it is repaid in zloties or dinars. Zloties, cruzeiros, or dinars will become cheaper in value, and in that way you will pay off debts with reduced zloties, cruzeiros, dinars, and other paper money.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SYMINGTON. The Senator is making statements which have to do with the aid program. I am talking trade and remind the Senator that West Germany, France, Britain, Canada, all the other countries in the free world are operating their economies, in the main most successfully, under the nuclear umbrella of the United States. If these countries, some of which now have greater prosperity than we have, and certainly more prosperity than they ever had, continue to let their private companies deal with countries behind the Iron Curtain, while our country in effect, furnishes them their defenses, how does the Senator expect corporations in this country to live, if we so stifle their chance for trade? Everyone who has been in business knows that that last 10 percent of volume obtained nearly always is the difference between making a profit or suffering a loss.

Mr. LAUSCHE. Mr. President, the best way in which to insure the life of our companies is not to strengthen the enemy who wants to destroy the very business which we are praising and wish to help. There is only one purpose that the Communist countries have, and that is to destroy the business we have. I am not one who is going to give them aid to destroy that which I want to preserve. I reject absolutely and positively the principle that because if someone has done something, we should do it. That is erroneous. That is one of the weaknesses of what is happening in Congress; because someone has done something, we should do it also.

Mr. SYMINGTON. The Senator is speaking ideologically—I am talking about the health of the American economy.

Mr. LAUSCHE. For a moment I was afraid the Senator was going to say idiotically.

Mr. SYMINGTON. No.

Mr. LAUSCHE. No; I am only jesting.

Mr. SYMINGTON. But if the Senator carries his argument to conclusion, the next development would be to demand that all the alliances we have with other countries in the free world—the French, West Germans, British, and Canadians—should be broken off, unless they follow the Senator's recommended program. That would apply to our relations with NATO itself, and would result in little organized free world resistance to communism.

Mr. LAUSCHE. That does not follow at all.

Mr. SYMINGTON. In my opinion, the amendment of the Senator would make it impossible for any American manufacturer to compete successfully with a Canadian or British or French or West German manufacturer.

The reason I got into this colloquy originally with my good friend from Ohio is that I am becoming increasingly worried about the loss of U.S. gold, the steadily increasing unfavorable balance of payments against this country.

As I see it, the Senator's suggestion, in his amendment, can only end in a serious situation for American business.

Mr. LAUSCHE. My final answer is that the Senator was a member of the Truman administration, and that administration found that the granting of economic aid and the indulgence in business with Communist countries were inimicable to the security of our Nation. I have presented my case.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. AIKEN. If the Senator's amendment should become law, and the customs duties on Yugoslav products were raised 300 percent, would the American consumer still be able to get Yugoslav products of the kind that we have been using?

Mr. LAUSCHE. If the Yugoslav Government can sell at a price below ours, we will still be able to buy Yugoslav goods, but we will not give them a special benefit in tariffs and duties.

Mr. AIKEN. The Senator means that if the Yugoslav prices were lower than the prices at which we could purchase the articles from some other country, including the higher duty, we could bypass them. Since Yugoslav business is 75 percent oriented to the West, the major customers of Yugoslavia are West Germany and Italy. Could we perhaps buy Yugoslav products through West Germany and Italy?

Mr. LAUSCHE. I suppose that might be done. I am not prepared to answer the Senator's question. The Senator believes they could circumvent the rule I am proposing to have adopted.

Mr. AIKEN. They have been doing a pretty good job to date of buying American products, processing them, and selling the end products to Communist countries. Is there any reason why they could not buy from Communist countries and resell to us, provided they could sell at a little lower price than the American consumer would have to pay if she bought directly and paid the higher tariff?

Mr. LAUSCHE. I suppose that is true.

Mr. AIKEN. I am beginning to wonder.

Mr. LAUSCHE. The Senator has brought up a thought that I think ought to be explored; that is, Communist Yugoslav aid to African and Asian countries. But I am probably getting into a different subject.

Mr. AIKEN. Yes.

Mr. LAUSCHE. But Yugoslavia is getting material from us, and what it is getting from us, it is sending, in part, to India, Pakistan, the Far East, and African countries.

Mr. AIKEN. If the Senator's purpose is to reduce the Yugoslav economy, we would also have to apply those rules to the other countries that handle Yugoslav products and sell to the West.

Mr. LAUSCHE. I suppose one could reach that conclusion.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. I wish to ask a question or two of the Senator from Ohio, or perhaps the chairman of the committee on a phase of the amendment which has not heretofore been discussed.

As I understand, if the language which the committee has recommended is not adopted, another country, namely, Poland, would also be adversely affected.

Mr. LAUSCHE. It involves not only Yugoslavia and Poland, but all Communist countries.

Mr. KEATING. That is stated theoretically in the language; but as a practical matter, does it not relate largely to Yugoslavia and Poland?

Mr. LAUSCHE. As a practical matter; yes.

Mr. KEATING. The Senator from Arkansas has given some interesting figures, showing that as a practical matter, trade with Yugoslavia will virtually be cut off if we do not permit this relief. Does the Senator have comparable figures for Poland? The reason why I ask the question is that I was in Poland last year. The Senator from Ohio knows that I have no more use than the Senator has for the regimes that control those countries. But, after all, there is a great reservoir of friendship and good feeling among the people of this country toward the Polish people. Through the centuries the people of Poland have had to contend with foreign tyrannies imposed upon them. Yet I am convinced that the people of Poland retain their enduring love of liberty and their deep affection for the people of the United States. That mutual good will is something which I think is well to retain and to cherish. The people of Poland are not Communists at heart and I would hate for their Communist government to be able to say the United States has broken its historic ties of friendship with the people of Poland. Do the figures indicate, in the case of Poland, that the practical result would be the same as in Yugoslavia?

Mr. FULBRIGHT. It would be, with this variation: That there is a larger percentage of Polish exports to this country, exports on which there is no tariff. Those exports would not be affected to quite the same degree.

However, from Poland, for example, we get bentwood furniture, on which there would be an increase from 25½ to 42½ percent; bristles from 2 to 3 cents; calf hides, wet salted, from 4 to 10 percent; glass Christmas tree ornaments, from 25½ to 60 percent and so forth. The same is true of poppy seed and wicker baskets.

Mr. KEATING. Can the Senator inform us the extent to which imports from Poland are not subject to duty in the United States?

Mr. FULBRIGHT. The increase in tariff rates resulting from withdrawal would affect more than \$5 million of trade.

Mr. KEATING. Of a total of how much?

Mr. FULBRIGHT. Forty-five million dollars.

Mr. KEATING. It is not so serious a matter, with respect to actual practice.

Mr. FULBRIGHT. It is the same principle, but not to the same degree.

Mr. KEATING. It is just as serious so far as the psychological effect is concerned. I do not know to what extent that information is known to the people generally, but certainly the Communist government of Poland can be relied upon to put the United States in as bad a light as possible. I think it is not worth it, and I therefore feel that it is unwise not to permit, under proper protective provisions, such as are included in the committee amendment, the extension of this treatment in the case of those countries. No other Communist countries are involved at the moment, are they?

Mr. FULBRIGHT. These are the only two to which this principle has ever been extended since the war. I know of no intention whatever on the part of anyone to do it. However, I am in accord with the statement of the Senator from Oklahoma [Mr. MONROE]. Suppose a situation developed in which the Hungarians or the Rumanians desired to trade with us, and they made a good proposal, one that was considered to be in our interest. I would certainly say that we should develop that trade. But such a situation has not occurred.

Mr. KEATING. The language requires that the President must find that the trade would be in the national interest and would promote the independence of such country from domination or control by international communism. The President would report that determination to Congress, and if the Congress believed he had made an incorrect determination, I feel certain that there would be strong protests.

Mr. FULBRIGHT. The Senator is absolutely correct.

In the case of Poland, President Eisenhower made just such a finding in 1960.

When the Senator asked me about what could happen, I said that if such conditions occurred in regard to one of the other countries, I would follow the procedure the Senator has mentioned. I would hope that it would happen. I do not mean that I hope it would happen improvidently or speedily, but that there would be genuine reasons for doing so. But those reasons have not developed yet.

Mr. DOUGLAS. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. DOUGLAS. I wanted to ask a question of the chairman of the committee.

Mr. LAUSCHE. Mr. President, I yield the floor.

Mr. DOUGLAS. I should like to ask for confirmation or rebuttal of the point which the Senator from Idaho [Mr. CHURCH] and the Senator from Oklahoma [Mr. MONROE] made; namely, whether export licenses would still be required on commodities which we would ship to Yugoslavia or Poland.

Mr. FULBRIGHT. This particular provision has nothing whatever to do with export licenses; it would not affect them.

Mr. DOUGLAS. Would export licenses continue for those countries and for other countries inside the Communist bloc?

Mr. MORSE. For strategic and combatant goods.

Mr. FULBRIGHT. That is another matter; but it is my information that they are required on the same kind of goods. But that is handled under the Export Control Act, and this provision would not affect that situation.

Mr. DOUGLAS. I understand. This then would be trade primarily in consumer goods, not trade in capital goods or war materiel. Am I correct?

Mr. FULBRIGHT. The Senator is correct. I have a list of all our imports. I believe I also have a list of our exports.

Mr. DOUGLAS. In the case of Poland, I think I can supply the chief items of imports: Polish ham and Polish sausage.

Mr. FULBRIGHT. They are the primary ones; and that is why there is a difference in the relative effects of the tariff.

Mr. President, in order that the record may be complete, I ask unanimous consent to have printed at this point in the RECORD a memorandum prepared by the committee staff, which contains the material from which I have been quoting. It is given in more detail and states the exact amount of the effects.

I also ask unanimous consent to have printed at this point in the RECORD a telegram I have received from four gentlemen of Polish extraction who are the mayors of four American cities.

There being no objection, the memorandum and telegram were ordered to be printed in the RECORD, as follows:

U.S. TRADE WITH YUGOSLAVIA—POSSIBLE EFFECTS OF WITHDRAWAL OF MOST FAVORED NATION

Nature and extent of trade: Yugoslavia's current patterns of trade are Western oriented. In recent years more than 70 percent of its total trade has been with free world countries. In 1962 this figure had risen to 77 percent. The United States is one of Yugoslavia's most important trading partners.

Trade between the United States and Yugoslavia has traditionally been based on most-favored-nation treatment of the two trading parties. Most-favored-nation benefits were mutually accorded each other by the United States and the Kingdom of Serbia in a Treaty of Commerce and Navigation of 1881 and this treaty has remained in effect ever since between the United States and the government at Belgrade whatever the form of the latter.

In 1962 the United States was a leading exporter to Yugoslavia and Yugoslavia's third largest market. The following table indicates the recent pattern of United States-Yugoslav trade:

United States-Yugoslav trade
(In millions of dollars)

	1960	1961	1962
U.S. exports (including U.S. aid shipments).....	85.7	153.9	154.1
U.S. imports (for consumption).....	40.2	39.2	47.8

Effect on Yugoslavia of denial of most-favored-nation treatment: Denial of most-favored-nation treatment will have a severe impact on Yugoslavia's trade and will con-

sequently influence Yugoslavia's ability to pay off her debts to the United States. Yugoslav payments to this country in 1963 will amount to an estimated \$10 million. Annual payments to the United States during the period 1964-67 are expected to be between \$10 and \$11 million on the basis of the amount of Yugoslavia's outstanding indebtedness as of December 31, 1962. Any increase in total indebtedness since that date would naturally increase the amount of Yugoslav payments.

Also noteworthy in this connection are the claims of U.S. nationals against Yugoslavia for the nationalization and other taking of property which have arisen subsequent to July 19, 1948, the date of the last claims settlement. Approximately 400 claims are involved, and the amount claimed by the

claimants is about \$25 million. Denial of most-favored-nation to Yugoslavia is very likely to affect adversely Yugoslavia's disposition to reach a satisfactory settlement with the United States in regard to these claims since Yugoslavia's ability to earn dollars in trade with the United States will be most seriously jeopardized.

Yugoslavia has developed a substantial trade in products which enjoy the same reduced tariffs as those of other friendly countries. Denial of most-favored-nation now means that rates on these products return to the high tariffs established in the restrictive Tariff Act of 1930. Of the total Yugoslav exports to the United States, more than 90 percent would be subject to an increase in duty. Some of the principal products on which the rates of duty will increase are:

Description	Most-favored-nation rates of duty now paid by Yugoslavia	Higher duty Yugoslavia will pay under 1930 Tariff Act	Imports 1962 (thousands of dollars)
Nails.....	3½ cent per pound.....	4½ cent per pound.....	2,340
Aluminum sheets and plates.....	2½ cents per pound.....	7 cents per pound.....	879
Aluminum rods and bars.....	do.....	do.....	288
Furniture.....	10½ percent.....	40 percent.....	3,172
Hops.....	10½ cents per pound.....	24 cents per pound.....	2,554
Lead pigs and bars.....	13½ cents per pound.....	2½ cents per pound.....	5,731
Sheep and lamb leather.....	10 percent.....	25 percent.....	448
Brass rods and bars.....	2 cents per pound.....	4 cents per pound.....	527
Tobacco.....	12½ cents per pound.....	35 cents per pound.....	4,505
Willow bags and baskets.....	22½ percent.....	50 percent.....	1,622
Zinc pigs and blocks.....	0.7 cent per pound.....	1½ cents per pound.....	480
Barytes ore.....	\$2.55 per ton.....	\$4 per ton.....	425

Effect on United States of denial of most-favored-nation treatment: The effects of withdrawing most-favored-nation treatment will hurt both Yugoslavia and ourselves. First, our own sales to Yugoslavia will undoubtedly be substantially cut, since Yugoslavia's ability to earn dollars to pay for them would be drastically reduced. A fourfold increase over present rates of duty would price Yugoslav goods completely out of the American market, particularly since the same products from other countries would continue to pay the lower rates of duty. Indirectly, the American worker, producer, and consumer would all suffer in some degree as a result of this action. And, as previously noted, Yugoslavia's ability to repay its financial obligations to the U.S. Government and to U.S. citizens would be impaired.

Effect on U.S. policy toward Eastern Europe: The withdrawal of most-favored-nation treatment from Yugoslavia would do serious damage to our relations with that country. It would require the denunciation and abrogation of the treaty of 1881 which has been of fundamental significance in the character of our relations with the governments at Belgrade since the treaty was concluded. It would lead the Yugoslavs to re-examine and revise their policy toward the United States and turn a more responsive ear to Moscow. It would discourage the pro-Western elements in Yugoslav society and injure ties with many of the Yugoslavs that have been built up over the years. It would diminish the opportunities to maintain and increase the American presence and influence in that country.

The denial of most-favored-nation treatment to Yugoslavia and Poland would have a larger effect than in each of these countries alone. The impact would extend to Eastern Europe generally, affecting our relations with the whole area and prejudicing the security interests of the United States. To deny most-favored-nation treatment to these two countries now would threaten the U.S. policy of more than a decade which has sought to keep alive active relations with the peoples of Eastern Europe in economic, political, and cultural fields. It would cripple our objective to decrease the dependence of these countries on the U.S.S.R. and to make it possible for a nation under a Communist government to achieve independence from

Soviet domination. It would weaken those measures which can contribute ultimately to the freedom of these people from the Communist yoke.

By taking discretion away from the President to grant most-favored-nation treatment section 231 deprives the U.S. Government of a tool in carrying out a positive policy toward Eastern Europe. Retention of section 231 works for the abandonment of the existing constructive policy of contact with the countries of Eastern Europe and for its replacement by a policy of withdrawal from the area. The effect of section 231 is to suggest that we are no longer interested in offering the countries of Eastern Europe an alternative to dependence on the Soviets. Such a retreat from our previous objectives would occur at the very time when diversity and assertions of independence and national interest are increasing in Eastern Europe. When new opportunities for a policy of engagement in Eastern Europe are opening up we would opt for a negative and defeatist course. Our quarrel after all is not with the peoples of Yugoslavia and Poland but with communism—an alien political system which presently controls their governments. Cutting off the President's authority to extend most-favored-nation treatment only reduces our capacity to deal with Eastern European governments in ways that can benefit the people and serve free world interests.

WILMINGTON, DEL.,
November 4, 1963.

HON. J. WILLIAM FULBRIGHT,
U.S. Senator,
Washington, D.C.:

We urge your full support of proposed legislation to assure the President discretionary power to grant most-favored-nation tariff treatment to Poland. We are four American mayors of Polish descent who have just recently returned from extensive 3-week tour of Poland. We went to Poland to see how the country is progressing, to compare administration of cities, to meet with the Polish people, and to visit the homes our parents left when they came to the United States. We were impressed with the fact that the spirit of Polish unity and the great tradition of language, art, and the church, that held the Polish people together for over 1,000 years still lives and flourishes despite great hand-

caps imposed by the Government. There is no doubt that the Polish people who know are grateful for the aid the United States has extended to them. We suggest that American representatives in Poland be permitted to apprise the people of Poland of the extent of U.S. aid in return for most-favored-nation treatment. We were most impressed with the tremendous amount of good will and good feeling that the people of Poland harbor for the people and the Government of the United States.

We feel that every effort should be made to enhance United States-Polish relations and to help the Polish people move toward greater freedom and independence. Most-favored-nation tariff treatment for Poland is essential ingredient in such an effort.

MAYOR JOHN E. BABIARZ,
Wilmington, Del.
MAYOR VICTOR C. WARYASZ,
Poughkeepsie, N.Y.
MAYOR ALEX P. SMEKTA,
Rochester, Minn.
MAYOR CHESTER KOWAL,
Buffalo, N.Y.

Mr. DOUGLAS. Mr. President, will the Senator from Arkansas yield further?

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Arkansas yield to the Senator from Illinois?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. Is it not true that there is a rigid embargo on the exportation to the Communist-bloc countries of machinery and materials which might be, potentially, war materials?

Mr. FULBRIGHT. Yes. I am sure the Senator from Illinois is referring to the Battle Act.

Mr. DOUGLAS. Yes. Would that act still apply?

Mr. FULBRIGHT. Yes. This amendment would not affect any of the applications of the Battle Act or the Export Control Act.

There is nothing new about this amendment; it would only restore the status quo; and any requirements for export licenses or any prohibitions would still apply; the amendment would not disturb them.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I point out that industrial goods of the type mentioned by the Senator from Illinois do not go to these countries, but go from the United States to Western Europe, and from there, many of such goods go to the satellite countries and to the Soviet Union. Furthermore, the trade between those countries of Western Europe and the satellite countries and the Soviet Union is in excess of \$3 billion; but, so far as the United States is concerned, its export trade in such goods is less than one-tenth of that amount.

Mr. FULBRIGHT. Yes. In short, we have been "holding the sack." In my opinion, we really have been stupid in preventing American concerns from participating in this trade while all of our allies, particularly West Germany—and this is one of the reasons why West Germany is so prosperous—and the other nations of Western Europe have been participating in this trade. So it seems to me it is time for us to stop that policy.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I was appointed by the committee to make a special inquiry into this matter. I did so, and at the end of 1961, I wrote a report on this subject. Western Europe has both export trade and import trade in excess of \$5 billion with the Soviet bloc countries, whereas, according to the present figures, U.S. firms do approximately \$200 million worth of such business.

Furthermore, in connection with that research, consideration was also given to the trade with Poland; and this brings up an interesting psychological point. As my colleague [Mr. KEATING] pointed out, they consider themselves written off, insofar as Gomulko is concerned and insofar as Yugoslavia's alleged independence is concerned. What an awful price to pay.

The Senate has felt free to adopt various amendments to the foreign aid authorization bill, and those amendments are supported by many reasons which have accumulated over the years. However, this item has nothing to do with foreign aid; it merely happens to be before the Senate because this loose end needs to be tied up.

Our action in this connection is most important, because we could make a fatal mistake—one which the President is striving to avoid, and one which could greatly damage us irretrievably, because then Khrushchey would realize that we were so stupid as to deny ourselves any chance of dislodging the Communist control of these countries.

Mr. FULBRIGHT. I agree with the Senator from New York.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the value of U.S. exports of domestic and foreign merchandise to Poland in the calendar year 1962.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of U.S. exports of domestic and foreign merchandise to Poland in calendar 1962

[Thousands of dollars]

Commodity groups:	Value
00 Animals and products, edible.....	8
0 Animals and products, inedible.....	4,410
1 Vegetable products, edible.....	47,332
2 Vegetable products, inedible.....	6,723
3 Textile fiber and manufactures.....	21,942
4 Wood and paper.....	44
5 Nonmetallic minerals.....	483
6 Metals and metal manufactures.....	1,085
7 Machinery and vehicles.....	3,000
8 Chemicals and related products.....	1,067
9 Miscellaneous.....	8,311
Total.....	94,405

Source: "U.S. Exports of Domestic and Foreign Merchandise," 1962 annual, FT 420, U.S. Department of Commerce.

Mr. FULBRIGHT. Mr. President, in connection with the other point the Senator has mentioned, in order to avoid any conflict of jurisdiction or any question about this matter—and I think I have

avoided it—I submitted the amendment to the chairman of the Finance Committee; and the Senator from Virginia [Mr. BYRD] submitted it to the Finance Committee, because of the origin of this matter, and he did consider it.

I ask unanimous consent to have printed in the RECORD the letter I received from the Senator from Virginia [Mr. BYRD], the chairman of the Finance Committee. The letter is dated August 15, 1963.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE COMMITTEE ON FINANCE,
August 15, 1963.

HON. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On June 20, 1963, at the request of several members of the Committee on Finance, I wrote you concerning section 402 of the Foreign Assistance Act of 1963, S. 1276, which would amend section 231 of the Trade Expansion Act of 1962, by permitting the President, if he so determines, to extend most-favored-nation treatment to Yugoslavia and Poland. I pointed out that legislation amending the Trade Expansion Act of 1962 is under the jurisdiction of the Committee on Finance, and, therefore, requested that the Committee on Foreign Relations refrain from taking any action with respect to this particular section of S. 1276.

On June 26, 1963, you replied by suggesting that "as in the case of matters which may involve the jurisdiction of both our committees, the Finance Committee consider the matter from the standpoint of its jurisdiction and advise the Committee on Foreign Relations its views."

In executive session today, I called this question up for consideration. After a thorough discussion, it was agreed that the proposed amendment was not inconsistent with the action taken by the Senate Committee on Finance on section 231 of the Trade Expansion Act of 1962, as described in the following excerpt from the Senate Report No. 2059:

"CHAPTER 4—NATIONAL SECURITY

"Section 231. Products of Communist countries or areas:

"Section 231 provides that, as an exception to the most-favored-nation principle, the President shall, as soon as practicable, refrain from applying any reduction, elimination, or continuance of any existing duty or other import restrictions, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under title II of the bill or under section 350 of the Tariff Act of 1930 to products, whether imported directly or indirectly, of the Soviet Union, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. It is contemplated that this provision will permit the President, if he so determines, to continue most-favored-nation treatment to Yugoslavia and Poland."

Therefore, the amendment to section 231 of the Trade Expansion Act of 1962, as proposed in section 402 of the Foreign Assistance Act of 1963, S. 1276, was approved by the members of the Senate Committee on Finance and the chairman directed to so advise your committee.

With kindest regards, I am,

Faithfully yours,

HARRY F. BYRD,
Chairman.

Mr. FULBRIGHT. Mr. President, I shall read only the last sentence of this

2-page letter; the summary there set forth is as follows:

Therefore, the amendment to section 231 of the Trade Expansion Act of 1962, as proposed in section 402 of the Foreign Assistance Act of 1963, S. 1276, was approved by the members of the Senate Committee on Finance and the Chairman directed to so advise your committee.

With kindest regards, I am,

Faithfully yours,

HARRY F. BYRD,
Chairman.

I believe that takes care of that point. Mr. MORSE. Mr. President, I shall be brief.

I shall support the committee language here, as I did in the committee. One of the chief reasons why I supported it in the committee was the action taken by the Finance Committee and the letter from the chairman of the committee, the Senator from Virginia [Mr. BYRD]. As I recall, we were then told that that action by the committee was unanimous.

Mr. FULBRIGHT. The letter does not so state, but I was present. I sent letters to the Senator from Virginia, and he invited me there; and, as I recall, all those present were unanimous. At least, I heard no objection—although I did not hear any poll taken of the members.

Mr. HARTKE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HARTKE. I thank the distinguished Senator from Oregon for yielding.

Mr. President, I am a member of the Finance Committee. For the record, I state that I did not support the committee on this proposal, and I do not support it now.

I am opposed to giving these countries any special consideration. At the time, I was told there was a favorable balance of trade with them. There is, when we consider the public programs, such as those under Public Law 480 and the development loan funds. But if we take the Government-sponsored funds from the trade balance, there is no favorable balance of trade; in fact, in that event we run about \$15 million short.

There is no question that this country is Communist controlled and is competing with our labor, by reason of the absence of controls upon its prices or its labor scales. It sets the price, and then ships the goods to the United States, where they compete against goods produced by Americans.

I would not mind that in the case of a country which was one of our allies; but I do not know whether these people are allies of ours or not. I have seen them take foreign trade from us in the African nations, and at the same time spread their philosophy and the notion that their system is the best, and use their technical people to try to teach the people of Africa to go the Communist way of life, when we are supposed to be giving them special consideration.

I have no sympathy for them. I have supported the foreign aid bills through the years, and I intend to do so this time; but in all good conscience I can see no connection or similarity between the sit-

uation of this nation and that of Hungary, Czechoslovakia, or other countries which are under the control of these people.

They say they have broken away from the Communist philosophy, and that this matter of trade encourages better relations with this country. Well, Hungary went through that process, at one time. Perhaps such things are weakening; but, as I said in discussing the wheat deal, we have no assurance that this will solve the problems.

Then came the autobahn incidents and the Khrushchev threats and his statements to the businessmen that he is determined to take us over; and recently we have seen Tito make a complete turn-about. At one time he was trying to export the Communist philosophy; but whenever it became expedient for him to change, he changed; but now he is back in that camp. Where will he be tomorrow?

I was talking with my 12-year-old son about this matter; and he said to me:

Daddy, I guess we are going to help build them up, so they can turn around and kill us.

Perhaps he is mistaken; but I see no reason for giving special treatment to nations with this brand of ideology, until we see in them a complete change of heart.

As for the claim that they want to trade in the way that Czechoslovakia and Hungary have, those people once thought they would change and that the Communist control would ease up; but the Russian tanks made them hold the Communist line.

Some say there is a weakening insofar as Italy is concerned; but we must remember that this same man was the greatest exponent and the real lifeblood of spreading communism throughout the world. He did it in the true Communist-Chinese fashion.

Personally, I think he is not deeply steeped in any philosophy; I think probably he is just a dictator, pure and simple. But certainly he is not my kind of guy.

Mr. MORSE. Will the Senator tell me how many members of the Finance Committee shared his view?

Mr. HARTKE. I cannot say at the present time. I know there were more than myself. I wish it clearly understood that the action was not unanimous.

I know that what I have said is contrary to the opinion of some of my older advisers. They counseled and told me that I should not do this, that I had the wrong idea. I hope I am in error.

Mr. MORSE. The letter of the Senator from Virginia [Mr. BYRD] at least represents the majority opinion of the committee.

Mr. HARTKE. There is no question about that. It represents a substantial majority of the committee.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the majority leader.

Mr. MANSFIELD. First, the proposal of the committee would not give any special or preferential treatment.

So far as the balance of trade is concerned, I would refer to the remarks of the distinguished Senator from Oklahoma [Mr. MONRONEY], who, as a representative of this body, was in Yugoslavia only a few weeks ago. He told us what the effects of American imports into that country were.

I also point out that, as contrasted with other satellite countries, there is not a Russian soldier on Yugoslavian soil. Yugoslavia is not a member of the Comicon organization, nor is it a member of the Warsaw Pact.

This is a coldblooded proposition. Do Senators desire that Yugoslavia veer toward us or go toward Moscow? Do Senators want the 70 percent of Yugoslavia's trade with the West retained or increased, or do they want to reverse the percentage? That is all. Senators must make up their minds on that question.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MORSE. I wish to make a brief statement and then I shall yield the floor. We are greatly indebted to the Senator from Ohio for bringing up the amendment because, in my judgment, this is the first time, within my memory, we have really had the question clarified in debate in the Senate. I believe that we now understand the issue as we never understood it before.

Although there was a very helpful discussion in the Foreign Relations Committee, I understand it here even better than I did in the Foreign Relations Committee.

I point out to my friend, the Senator from Ohio, that we have taken care of Tito in the amendments already adopted as far as AID is concerned. The Senator's amendment offered yesterday in regard to Communist nations handles the AID matter. We are dealing with a question of trade and not aid. There is all the difference in the world between the two. I cannot see how we can take the position that we should trade with Russia in wheat, with Hungary in corn, and other nations behind the Iron Curtain, and then support the amendment.

I support that kind of trade for several reasons. I wish to mention two very important ones now.

First, I supported the wheat program, and I shall support the corn program with Hungary because I think we should stop cheating the American people. That is exactly what we would do if we did not enter into trade relations, because either the wheat of some other nation, or, in many instances, our own wheat or corn, would reach them anyway, though not sold by us. We know that a good deal of it is converted into flour by our allies and sold behind the Iron Curtain, and we do not benefit as a result of the process.

So from the standpoint of merely the materialistic trade features involved, I do not think we can justify cheating the American people out of trade behind the Iron Curtain in nonstrategic, noncombatant goods.

Second, we are not aiding Tito. We are trying to get to the Yugoslav people. We are trying to demonstrate to them

the superiority of our system of economic freedom to their system of economic enslavement. In the long run that is the way we must whip communism if we are to do so. That is the way we need to do it. The arguments that were advanced here today by the Senator from Idaho [Mr. CHURCH], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT], the majority leader, the Senator from Montana [Mr. MANSFIELD], and others, have almost put us in an unanswerable position in support of the committee amendment.

I shall support the language of the committee for the reasons stated. But I wish to stress that we have made it perfectly clear to the world that we are not supporting Tito. We have made it clear to the world that we have faith in our system of economic freedom manifested by our private enterprise trade.

Imagine the good that we do when we get our goods behind the Iron Curtain. What do Senators suppose those people do? They do not take the goods mutely. They talk about them. They arouse a good deal of discussion. This process leads to a recognition of the superiority of our economic system over others.

Furthermore, as was pointed out by the chairman of the committee, we have had the trade-treaty relationship for a long time. As the Senator from Illinois [Mr. DOUGLAS] has said, we are not giving anyone any preference. No preference is involved. No nation would get any advantage. We are continuing a long existing so-called favored-nation-clause program, which will prove to be of benefit to peoples. It is the people that we ought to be interested in, so long as we place in the bill the necessary checks upon Soviet governments themselves. And we are doing a pretty good job of that.

Several Senators addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the issue has now resolved itself into the responsibility of determining where Tito stands. I wish to read to the Senate statements made by Tito and Khrushchev at their latest meeting of the Supreme Soviet of the Russian Republic on December 11, 1962. Khrushchev declared:

Someone started to assert that Yugoslavia is not a socialistic country. May we please ask one question. If Yugoslavia is not a socialistic country, what kind of country is it?

That was Khrushchev speaking. He continued:

We know that there are no feudal landowners nor capitalists in Yugoslavia. We know that Yugoslavia has no private capital, no private enterprise, no big landowners, and no private banks.

I am reading Khrushchev's statement about Yugoslavia. Still speaking, Khrushchev said:

We see that the Communist Party of Yugoslavia and its leaders are directing their

efforts toward economic development with the final goal of solidifying—

What?—the institution of socialism.

Khrushchev went beyond that to state: Therefore, if we start from the impartial laws of Marxist-Leninist theory, it is impossible to deny that Yugoslavia under today's regime is not a socialistic country. This fact is a starting point in our politics, and on this fact we base our relations with Yugoslavia as a socialistic country.

Though I stand alone, and every Senator continues to argue that Yugoslavia is not socialistic, I will not change my position.

All I ask is that Senators consider the evidence presented by Khrushchev at that meeting of December 11, 1962, in Moscow.

I delve a bit further into the statements of Khrushchev made at a Communist Party meeting in East Germany in January 1963. At that meeting Yugoslav delegates were considered persona non grata, but as active members with equal rights their speeches were greeted with special warmth.

The meeting of January 1963 followed the December meeting of 1962 in Moscow. At the meeting in East Germany in January of 1963 Khrushchev stated:

We believe that it would be in the interest of our parties and in the interest of international communism to reestablish the unity of the Communist Party of Yugoslavia with its brother parties in ideological problems on a Marxist-Leninist basis. Our duty—

This is Khrushchev speaking— is to help a party which has made an error or has deviated from the principles of international communism as set forth by Marx and Lenin. We should help such a party understand its error and, when correction has been made, this party should again be given a dignified place in the family of brother parties.

The Senator from Indiana [Mr. HARTKE], with all his humility, and his objective to decide this question on the basis of what he believes is a course in the best interest of the United States, has refused to be dominated by immediate expediency and has refused to be duped by the words of Khrushchev and the words of Tito.

What is the arrangement between Khrushchev and Tito? I will give my understanding of it. It is that Tito shall have some semblance of independent liberty within Yugoslavia, and that he shall not be obligated directly to Moscow by what is done within Yugoslavia. But from that point on there is a different picture. Tito's responsibility is to go to Africa, to the Far East, to the Caribbean, and to South America, and there to state, "We are a neutralist, nondependent nation of Red Russia, and we urge you to adopt our system of government." The ultimate end will be socialization in South America, in Africa, in the Middle East, and in the Far East. And after a brief pilgrimage into a socialistic era there will come an era of communism inescapably.

Looking at the Tito-Khrushchev relationship from the other side, we can see that in return for his absolute subordination to Soviet interests and for his

obedient service Tito is given partial autonomy in internal affairs.

In support of what I said a moment ago I wish to quote Khrushchev. This is what Khrushchev said:

It is understandable that between us there can be no perfect congruence in our answers to all the questions we meet in our Communist Party work. Since the problems in the struggle to build the new socialistic society differ in each country, different approaches and methods are necessary in practical life.

These words were spoken in December 1962 at the Moscow meeting between Khrushchev and Tito.

What did Tito answer at that same meeting to the words of Khrushchev? He said:

We agree with Comrade Khrushchev's report on the relationship between our countries. We aim toward the same goal, to build a new socialistic society first and then a Communist society.

Senators who argue that there is no purpose to build a Communist society in the world are stretching their thinking and speculating without taking into consideration the words either of Khrushchev or of Tito.

I quote further the words of Tito:

Because world peace is a condition for the attainment of our goals, our positions on all international problems are identical.

That is Tito speaking, declaring that the positions of Red Russia and of Yugoslavia are identical on all international problems.

On all the problems which are serious troublemakers in the world, such as peace, peaceful coexistence, disarmament, colonialism, and Germany, our points of view are identical.

I ask Senators how, by any stretch of the imagination, it can be said that there is a separation between the thinking of Tito and of Khrushchev, between the Communist Party of Yugoslavia and the Communist Party of Red Russia?

On one thing they are in agreement; that is, they wish to block the establishment of the center of communism in Peiping instead of in Moscow. That fight, of course, is serious. I believe it is a fight which will eventually inure to our benefit.

If we take all the foregoing statements into consideration, how can an argument be made that Yugoslavia is different, that Yugoslavia does not want a Communist nation in the world? My answer is that it cannot be that way.

Mr. DOMINICK and Mr. HARTKE addressed the Chair.

Mr. LAUSCHE. I yield first to the Senator from Colorado.

Mr. DOMINICK. I appreciate the courtesy of the Senator from Ohio in yielding to me. I wish to add my voice to what he said on the relationship between Tito and Khrushchev. I do not believe there is any doubt of that, if we examine the historical documents.

I should like to go a little further than that in connection with the pending amendment, if I may.

The amendment is not designed to affect our export trade in any way whatsoever. It would not stop our export trade in any way whatsoever. It would

provide that the President may not give special tariff concessions for imports into this country from a Communist country.

Since when has the United States adopted a position of writing into its laws special tariff concessions for Communist countries? That is what we shall be doing unless we adopt something similar to the amendment offered by the Senator from Ohio.

This procedure would not cut trade. It would not affect the basic situation. If the amendment should be adopted, all it would do would be to say that we will not give to the Communist countries special tariff concessions.

It seems to me that there has been no explanation given—neither our imbalance of trade nor anything else—which bears on this point. If we should increase our imports from Communist countries we would not help in respect to our loss of gold and we would not help in respect to our balance-of-trade problem. All we would do would be to make them worse.

It seems to me that the least we can do is to say that although we may trade with the Communists we are not going to give them special concessions, to make sure that they can expand and grow.

I thank the Senator from Ohio.

Mr. MCGOVERN. Mr. President, if the Senate were to pass the amendment offered by the Senator from Ohio to cut off our trade with Yugoslavia and Poland, it would be a major disaster of American foreign policy. I can think of nothing that would make the Kremlin happier than for us to drive Poland and Yugoslavia closer to Moscow and away from the West.

I do not approve of the regimes in Poland and Yugoslavia, but if we are ever to encourage the cause of freedom in Eastern Europe, it will not be by isolating these countries from the West.

I ask unanimous consent that background material on this subject prepared by the State Department and an article by former Secretary of State Christian Herter be printed at this point in the RECORD.

There being no objection, the background material and article were ordered to be printed in the RECORD, as follows:

THE U.S. INTEREST IN MOST-FAVORED-NATION TREATMENT FOR YUGOSLAVIA AND POLAND
INTRODUCTION

Since World War II the United States has been faced with a critical choice of two tenable alternative lines of policy in dealing with the problem of Eastern Europe. The first was to assume that the Soviet Union and the countries under its domination constituted a permanent monolithic bloc—a bloc so cemented together with the dogma of militant communism that all hope of weaning the Eastern Europeans away from Soviet domination was hopeless. The consequence of such a policy decision would be to throw in the towel, to abandon the peoples of Eastern Europe to the mercies of a Soviet tyranny and limit ourselves to pious platitudes about our confidence in their ultimate independence and freedom.

The other course was to assume that the instinct for freedom runs strong in the hearts of men everywhere and that by keeping alive and expanding our contacts with the Eastern European countries we could encourage their inherent national and individual aspirations and leave open to them

the road to the West. This was a difficult and complex course to follow, for among other things it required that we approach the subject peoples through their authoritarian governments. But it is the choice we made, and the history of Eastern Europe in recent years gives ample evidence that it was the right choice.

As Secretary of State Rusk pointed out in a statement before the House Foreign Affairs Committee on April 5, 1963:

"Trends toward diversity—and fragmentation—are evident in the Communist movement generally. Trends toward 'destalinization' are visible in all the Eastern European Communist states except perhaps Albania. Nationalism remains a vigorous force in Eastern Europe—a force which we need to take into full account in our own attitudes and policies."

Today, however, the pursuit of such a policy is threatened by a new development of our own making—a clause in the Trade Expansion Act of 1962. Section 231 of that new legislation instructed the President of the United States as soon as practicable to deny trade agreements benefits to any country "dominated or controlled by communism." Under this law the "most-favored-nation" treatment which we had hitherto granted to Yugoslavia and Poland would now have to be withdrawn.

What is MFN treatment?

Under the most-favored-nation (MFN) policy the United States extends to all countries any tariff concession which has been negotiated with a single country or a group of countries, provided they do not discriminate against us. MFN treatment has been a cornerstone of the nonrestrictive trade policy of the United States since 1934. A nation which is denied such treatment by us is at a considerable trade disadvantage in relation to all other nations which deal with us on an MFN basis.

Under U.S. law since 1951 the Soviet Union, Communist China, and all Soviet-dominated countries have not received MFN treatment. However, under a determination made by President Eisenhower in 1960, MFN treatment was restored to Poland as an element of our determined national policy to increase that country's ties with the West. Yugoslavia and the United States extend MFN treatment to one another under an 1881 treaty.

To deny MFN treatment to Poland and Yugoslavia now would threaten the U.S. policy of more than a decade which has sought to keep alive active relations with the peoples of Eastern Europe in economic,

political, and cultural fields. It would cripple our objective to reduce the dependence of these peoples on the U.S.S.R. and to make it possible for a nation under a Communist government to achieve political independence from Soviet domination. It would sap those measures which can contribute ultimately to the freedom of these peoples from the Communist yoke.

If, on the other hand, we keep these links open, there will be a continuing opportunity to develop good will for this country, encourage the growing assertion of nationalism in Eastern Europe, and increase the margin for action independent of Moscow. Let us look at some of the results of this positive policy in both Yugoslavia and Poland and the danger posed to those results by this new restrictive aspect of the trade legislation.

YUGOSLAVIA

The 1948 break

In 1948 Yugoslavia refused to submit to the discipline of the Soviet-dominated international Communist movement and broke with the Cominform. Until then the world had been led to believe that the Soviet bloc was monolithic, sharing the same aims, purposes, methods, and ideas. Yugoslavia's action shocked the Soviet world and gave hope and strength to nationalist forces inside the Soviet bloc. Yugoslavia's determination to run its own Government in its own way encouraged greater independence of Moscow among other members of the Communist bloc and has continued to act as a divisive influence. The uprisings of 1956 in Poland and Hungary, Albanian defiance of the Soviet Union, and disputes between the U.S.S.R. and Communist China all have been influenced by Yugoslavia's independent action.

The results

Let us examine some of the effects within Yugoslavia of that country's independent course.

English has replaced Russian as the most widely taught foreign language. American and other free-world books are freely available. A wide variety of American newspapers and magazines are also available on newsstands and in libraries. Voice of America broadcasts are not jammed. In 1953 a law attempting to normalize relations between church and state provided for state assistance to religious communities, which are thriving. Church ceremonies following civil marriages are now permitted. Only 12 percent of the farms were socialized; the rest remained in private hands. Private co-operatives similar to those of the West, rather

than Soviet-style collective farms, are being formed to increase farm size and efficiency.

The regime in Yugoslavia, of course, continues to be Communist. But there are important differences from the Soviet-style communism. Yugoslavia is not insulated or isolated from the West. It permits a measure of freedom unknown to the Soviet Union. Significantly, it is not part of the international Communist conspiracy. Intensely nationalistic itself, it encourages nationalism elsewhere among the captive peoples and has also cautioned other nonaligned countries against becoming too dependent upon the U.S.S.R.

Trade with the United States

Yugoslavia's current patterns of trade are Western-oriented. In recent years more than 70 percent of its total trade has been with free-world countries. In 1962 this figure had risen to 77 percent. The United States is one of Yugoslavia's most important trading partners. In 1962 the United States was the leading exporter to Yugoslavia and Yugoslavia's third largest market. The following table indicates the recent pattern of United States-Yugoslav trade:

United States-Yugoslav trade

(Millions of dollars)

	1960	1961	1962
U.S. exports (including U.S. aid shipments)	85.7	153.9	154.1
U.S. imports (for consumption)	40.2	39.2	47.8

Effect of denial of MFN treatment

There can be no doubt that the denial of most-favored-nation treatment will have a severe impact on Yugoslavia's trade and will consequently influence Yugoslavia's ability to pay off her debts to the United States. Yugoslav payments to this country in 1963 will amount to an estimated \$10 million. Under our mutual MFN agreement Yugoslavia has developed a substantial trade in products on which the United States has made tariff reductions to other countries in trade agreements. Denial of MFN now means that rates on these products return to the high tariffs established in the restrictive Tariff Act of 1930. Of the total Yugoslav exports to the United States of \$39.2 million in 1961—the most recent year for which the complete figures are available—the rate of duty will be increased on 94 percent; the rate will remain the same on only 6 percent. Some of the principal products on which the rates of duty will increase are:

Description	Unit	MFN rates of duty now paid by Yugoslavia	Higher duty Yugoslavia will pay under 1930 tariff act	Imports, 1961	Description	Unit	MFN rates of duty now paid by Yugoslavia	Higher duty Yugoslavia will pay under 1930 tariff act	Imports, 1961
				Thous-					Thous-
Bristles	Cents per pound	2	3	\$807	Sheep and lamb leather	Percent	10	25	\$455
Chicory root	do	1	2	306	Straw bags and baskets	do	19	50	359
Cherry juice	Cents per gallon	17	70	304	Tobacco	Cents per pound	12 1/2	35	4,100
Copper tubes and tubing	Cents per pound	5.2	11	257	Willow bags and baskets	Percent	22 1/2	50	1,356
Furniture	Percent	10 1/2	40	2,865	Zinc pigs and blocks	Cents per pound	0.7	1 1/2	766
Hops	Cents per pound	10 1/2	24	1,716	Zinc sheets	do	1	2	300
Lead pigs and bars	do	1 1/4	2 1/4	6,202					

We will be hurt too

The effects of withdrawing MFN treatment will hurt both Yugoslavia and ourselves. First, our own sales to Yugoslavia will undoubtedly be substantially cut, since Yugoslavia's ability to earn dollars to pay for them would be drastically reduced. A fourfold increase over present rates of duty would price Yugoslav goods completely out

of the American market, particularly since the same products from other countries would continue to pay the lower rates of duty. Indirectly, the American worker, producer, and consumer would all suffer in some degree as a result of this action. And, as previously noted, Yugoslavia's ability to repay its financial obligations to the U.S. Government and to U.S. citizens would be impaired.

A second consequence of this action will be the grave effect to be expected in Yugoslavia itself. At the same time we profess to be trying to encourage Yugoslav nationalism and independence from Moscow, we would be withdrawing the economic means which makes this possible. We would, in effect, be driving the Yugoslavs closer to the Soviets, who are eager for an opportunity to break Yugoslavia's ties with the West and

draw that nation back into the Soviet orbit.

POLAND

Encouraging independence

Out of upheavals in 1956 in Eastern Europe, the Gomulka regime came to power. While loyally Marxist and a full participant in the Soviet bloc, the Polish leadership sought a measure of independence in internal policy and also sought to develop closer relations with the West. President Eisenhower, faced with the policy choice of ignoring this trend or seeking to encourage these nationalist efforts, chose to give them limited support. As a result, from 1957 to 1959, we provided \$61 million to Poland through the Export-Import Bank as credits to purchase raw materials, agricultural commodities, and machinery. Under our Public Law 480 from 1957 to 1963 we made it possible for Poland to purchase \$477 million worth of our surplus agricultural commodities. Finally, in December 1960 we granted Poland MFN tariff treatment.

How successful?

Clearly, it is necessary to look on our Polish policy as a calculated risk similar to that we took in regard to Yugoslavia. The results of this policy could, in time, greatly further U.S. and free world interests. So far, we have achieved considerable success. The United States operates an information program in Poland. American books, films, and magazines can circulate. The Voice of America broadcasts are not jammed as they are in the Soviet Union. We maintain free

contact with the people of Poland; the number of Polish visitors to the United States has risen from a few dozen in 1955 to almost 2,000 during 1962, many times the number of visitors from the other European Soviet-bloc countries. About 10,000 Americans visited Poland during 1962.

Polish agriculture has not been extensively collectivized. Actually only about 13 percent of the land has been put into state farms, and much of this land had not earlier been in peasant hands.

Basic freedom of worship is possible for Roman Catholics, who make up 95 percent of the population. Religious education for children as well as a Catholic university and seminaries are permitted. A number of religious holy days are observed as national holidays.

To an extraordinary degree Poles young and old freely and openly express their sympathy for the West, for Western culture with which Poland has abiding links, and they enunciate those aspirations for freedom which have inspired the Polish people for centuries.

One indication of the effectiveness of our policy in Poland may be gleaned from the outraged reaction of the Russians. Premier Khrushchev on April 19, 1957, viewed our policies in these terms:

"Poland is now being wooed like a bride. Why? Because the woosers want something. They want to find elements in Poland that can be used against the people's government, against the building of socialism, against the Soviet Union."

Probable effect of MFN withdrawal

Since most of Poland's exports to the United States are products on which the rates of duty have not been lowered in trade agreements, removal of MFN treatment would affect a relatively small percentage of Poland's sales to us. An analysis of Polish trade with the United States in 1961, the first year since the restoration of MFN treatment to Poland, indicated that about 12 percent of Poland's sales to the United States would be affected. This does not reflect accurately, however, the trade Poland has continued to build up in 1962, for which only preliminary figures are available. The percentage of Poland's exports to be affected would therefore be somewhat higher.

The following table indicates the volume of United States-Polish trade in recent years:

United States-Polish trade

(Millions of dollars)

	1960	1961	1962
U.S. exports (including U.S. aid shipments).....	143.1	74.8	94.5
U.S. imports (for consumption).....	38.7	41.2	45.6

An increase of tariff rates resulting from withdrawal of MFN treatment would affect over \$5 million of trade. Following are the principal things we buy from Poland on which duties would be increased, and the higher 1930 rates that would apply.

Description	Unit	MFN rates of duty now paid by Poland	What Poland will pay under 1930 Tariff Act	Imports, 1961	Description	Unit	MFN rates of duty now paid by Poland	What Poland will pay under 1930 Tariff Act	Imports, 1961
Bentwood furniture.....	Percent.....	25½	42½	\$261	Miscellaneous flax fabrics.....	Percent.....	10	40	\$417
Bristles.....	Cents per pound.....	2	3	213	Poppyseed.....	Cents per pound.....	0.08	0.32	251
Calf hides, wet salted.....	Percent.....	4	10	327	Willow baskets and bags.....	Percent.....	22½	50	411
Glass Christmas tree ornaments.....	do.....	25½-40	60	852					

Withdrawal of most-favored-nation treatment from Poland will not have as marked an effect on Polish trade with the United States as is the case with Yugoslavia. But its effects will nonetheless be serious. The granting of most-favored-nation benefits to Poland in December 1960 followed upon an agreement by Poland to pay \$40 million over a 20-year period to American nationals whose property was nationalized in Poland. With other obligations to us, Poland's payments reach almost \$11 million annually. The capacity to pay these dollars to us depends on Poland's

ability to obtain dollars, and trade earnings are the source. Additionally, the granting of most-favored-nation treatment did underwrite our faith that Polish nationalism could intensify and develop. Withdrawal is not only a financial but a psychological blow to such hopes.

About Polish hams

Sale of Polish hams in the United States has been much publicized. Our imports from Poland in 1961 amounted to \$41.2 million. Of this amount, canned hams and other canned pork products accounted for \$26.1

million, or 63 percent. But no tariff concession has ever been made on the ham products, and the tariff rate on Polish hams would not be increased even though most-favored-nation treatment is denied. The following chart presents an interesting analysis of U.S. pork and ham production, and the relation of our purchases from other countries. The quantity of Polish hams imported into the United States in recent years has been about 10 percent of total U.S. ham production. All canned hams and other canned pork products coming into the United States have to pay a duty of 3½ cents per pound.

	1960		1961		1962			1960		1961		1962	
	Million pounds	Million dollars	Million pounds	Million dollars	Million pounds	Million dollars		Million pounds	Million dollars	Million pounds	Million dollars	Million pounds	Million dollars
Total U.S. pork production.....	11,600.0	(1)	11,400.0	(1)	12,000.0	(1)	Total imports of ham.....	113.0	86.0	115.0	86.0	131.0	87.0
Total imports of pork.....	171.4	114.4	173.8	115.0	(1)	(1)	From Denmark.....	35.5	27.8	38.9	29.6	48.9	37.4
Total U.S. ham production.....	299.5	(1)	299.6	(1)	(1)	(1)	From Poland.....	32.0	26.0	31.0	24.0	30.0	21.0
							From West Germany.....	2.6	1.8	1.4	1.0	1.2	.8
							From the Netherlands.....	38.2	26.9	38.5	29.9	43.5	30.5

¹ Not available.

CONCLUSION

U.S. security interests demand that we not write off the countries of Eastern Europe. Rather, it is in our basic national interest to seek to further the U.S. presence and influence there wherever possible. If we are to do so, the President must have at his disposal various foreign policy tools and discretionary authority to use them. Until now we have relied primarily on economic assistance, with cultural contacts and trade as subsidiary tools. Aid, however, is of

rapidly diminishing importance in our relations with Yugoslavia and Poland. As President Kennedy said in his foreign assistance message of April 2, 1963, "It is my conviction that trade and other forms of normal relations constitute a sounder basis than aid for our future relationship with these countries." The only assistance programed for either Yugoslavia or Poland, apart from Public Law 480 sales in the current year, will be U.S.-held Polish currency in support of a privately sponsored children's hospital

project in Poland. We anticipate that Public Law 480 assistance, too, will diminish sharply in the future, as these countries become increasingly able to buy our agricultural commodities on commercial terms.

Our ability to develop and maintain normal commercial trade relations with Yugoslavia and Poland is essential if we are to preserve the gains of our past policy toward these countries and to continue to advance U.S. objectives in Eastern Europe. If the President is denied discretionary authority to ex-

tend MFN treatment to Yugoslavia and Poland, we must anticipate rapid deterioration of our relations with these two countries and the loss by the United States of its position there. There is little doubt that the forces for freedom in both countries would be seriously damaged, as these countries are abandoned to the Soviets.

The alternative to our present policy of engagement in Eastern Europe can only be one of withdrawal. Such a negative and defeatist policy cannot serve U.S. interests. Our quarrel after all is not with the people of Poland and Yugoslavia but with communism—an alien political system which presently controls their Governments. Cutting off the President's authority to extend MFN treatment only reduces our capacity to deal with these Governments in ways that can benefit the people and serve free-world interests.

Christian Herter, former Secretary of State and currently President Kennedy's special representative for trade negotiations, stated the danger in this manner in a recent article in the New York Times: "Surely this is not the time to walk away from the competition. I can think of few actions on our part that would be more welcome in Moscow than that. If I were Mr. Khrushchev, I would surely heave a sigh of relief if I knew that Poland's and Yugoslavia's windows to the West were being bricked over. Never have the signs of internal disarray been more obvious within the Soviet empire than they are today. Never have the forces of autonomy and independence been more evident."

YUGOSLAVIA'S FOREIGN TRADE SYSTEM AND THE ECONOMIC EFFECTS OF WITHDRAWING U.S. MOST-FAVORED-NATION TREATMENT FROM YUGOSLAVIA

EVOLUTION OF THE YUGOSLAV ECONOMY

Ever since it broke with Stalin and withdrew from the bloc in 1948, Yugoslavia has been moving away from centralized direction of its economy toward a system in which market forces play a predominant role. This has meant a progressive shift from the economic practices that prevail in the Soviet Union. Today it is clearly evident that the Yugoslav economy, which incorporates a number of capitalist features and allows for the increased play of market forces, has significantly evolved away from the Soviet bloc model.

Until recently the evolution of the Yugoslav internal economy was not reflected in the international economic policies pursued by the Yugoslav Government. During the postwar period Yugoslavia insulated its economy from the outside world by a complicated system of multiple exchange rates and quantitative controls.

Early in 1961, however, the Yugoslav Government began a series of major reforms, designed to integrate its economy more closely with the cost and price structure of the world market. These reforms were in the best tradition of liberal trade. They were intended to increase efficiency by exposing Yugoslav production to the progressively increasing pressure of international competition.

This process of reform is by no means completed. However, it has already led to a unification of the Yugoslav exchange rate at a settlement rate of 750 dinars (equal to U.S.\$1) and has resulted in a significant reduction in quantitative import restrictions, trade discrimination, and bilateralism.

In contrast with the system of total import controls imposed before 1961, about 25 percent of Yugoslav imports now enter the country free of controls. As in the case of Western European countries after World War II, Yugoslavia can remove the remaining quantitative controls only gradually, because of its low line of foreign exchange reserves and high debt repayment obligations. In these respects it also reflects the general problems of a developing country.

The Yugoslav Government has reduced the number of its bilateral trade and payments agreements, and it is seeking, where possible to replace clearing arrangements under those agreements with agreements to settle in convertible currencies. It has eliminated state monopolies from its foreign trade system, and there is substantial competition between enterprises to buy and sell in the most advantageous markets. In all of these respects, Yugoslavia has committed itself to a policy of gradual trade liberalization on the pattern of free world countries.

THE YUGOSLAV TARIFF

As a major step in its reforms, Yugoslavia adopted a provisional system of tariffs based on the Brussels nomenclature. This provisional tariff structure is a reasonable one and not exceptionally high as compared with those applied by other developing countries. Under it, approximately 36 percent of total 1961 imports entered Yugoslavia duty free. Most of the balance was subject to duties ranging from 10 to 40 percent.

PROVISIONAL GATT MEMBERSHIP

Yugoslavia is thus in an intermediate stage in the process of trade liberalization. The reforms it has taken so far has been supported and endorsed by the International Monetary Fund, of which Yugoslavia is a full member. Since May 1959, it has been consulting with the members of the General Agreement on Tariffs and Trade (GATT). On November 13, 1962, Yugoslavia was granted provisional accession to GATT. This action was taken in recognition of the liberalization of the Yugoslav trading system which had already been achieved on condition that the system be further liberalized and that Yugoslavia accept GATT obligations. Those obligations, of course, include the commitment to remove quantitative import restrictions as soon as balance-of-payments obstacles are removed.

In our judgment, Yugoslavia has made commendable progress in moving toward full participation in the liberal world trading system envisaged by GATT. Its progress has followed the general pattern of Western European countries during an earlier stage of the postwar period. It has shown a far greater determination to liberalize than most other less developed countries.

Since it broke with the bloc, Yugoslavia has looked to the West for its commercial opportunities. Over the past decade, it has conducted three-fourths of its foreign trade with the free world. Assuming a continuance of MFN policies on both sides, Yugoslavia is likely to continue to maintain around 70 percent of her total trade with the free world.

NATURE OF YUGOSLAV TRADE

Today the United States is free to compete on equal terms with other free world countries for the Yugoslav market. This market, while not of major dimensions, is still a useful outlet for our exports.

Over the past several years our trade with Yugoslavia has been as follows:

Value of U.S. trade with Yugoslavia

[Millions of U.S. dollars]

	1960	1961	1962
Value of U.S. imports for consumption.....	40.2	39.2	48.3
Value of U.S. commercial exports.....	41.8	57.6	22.8
U.S. Government-financed exports ¹	44.2	96.3	131.3

¹ Estimated value of shipments under AID programs (including DLF), Public Law 480 (all titles), and Export-Import Bank loans (over 77 percent of the funds authorized under these sources of financing during the last 4 fiscal years (fiscal year 1960-fiscal year 1963) represent loans).

² The effects of the 1961 foreign trade reform as well as the effects of successive droughts on agricultural production, produced a severe balance-of-payments deficit, which led in 1962 to a 5-percent reduction of total Yugoslav imports, excluding U.S. Government-financed commodities.

U.S. trade reflected in these statistics has been built on the basis of a reciprocal extension by each country of most-favored-nation treatment to imports from the other. Our commercial exports to Yugoslavia have consisted primarily of general industrial machinery and parts, and of metalworking machinery.

If we withdraw MFN treatment for Yugoslav goods, we would dry up a needed source of foreign exchange for Yugoslavia and would impair her ability to repay her debts to the United States. The repayments scheduled over the next several years will run in excess of \$10 million.

Moreover, if we were to withdraw MFN treatment from Yugoslav goods, Yugoslavia would almost certainly refuse any longer to extend MFN treatment to our goods.

What would this mean in trade terms?

EFFECT ON YUGOSLAV EXPORTS OF WITHDRAWAL OF MFN TREATMENT BY UNITED STATES

Termination of most-favored-nation treatment to Yugoslavia by the United States would mean that the tariff rates on most products that Yugoslavia exports to the United States would return to the rates established in the Tariff Act of 1930. A study based on trade data for 1961 has shown that—but for MFN treatment—94 percent of the total value of Yugoslav exports to the United States in that year would have been subject to increased rates of duty. The increased rates would have doubled the rates of tariff on about 20 percent of Yugoslavia's exports to the United States and would have raised those rates by 250 to 400 percent on the remainder of the affected items.

Tariff increases of this magnitude would undoubtedly price most Yugoslav exports out of the U.S. market, since the same products from other countries would continue to pay the lower rates of duty. With the consequent loss of dollar earnings, Yugoslavia would certainly reduce its purchases of U.S. products. It would be forced to conserve any direct dollar earnings it still might be able to realize from exports to the United States in order to make its scheduled debt repayments to this country. Most probably, it would have to draw upon its earnings of other convertible currencies to meet those payments.

EFFECT ON U.S. EXPORTS OF WITHDRAWAL OF MFN TREATMENT BY YUGOSLAVIA

The Yugoslav tariff provides that most-favored-nation treatment will be extended to all countries extending most-favored-nation treatment to its exports. Nations receiving MFN treatment pay Yugoslav tariffs at rates about 40 percent lower than would otherwise be the case. There are over 300 duty-free items included on the most-favored-nation country tariff list, but only 17 such items on the standard list. If U.S. goods were subjected to the full Yugoslav tariff, our exports to Yugoslavia would drop to a very low figure. It is clear that our exports would be replaced with the goods of other countries.

GENERAL CONSEQUENCE OF WITHDRAWAL OF MFN TREATMENT

The consequences of withdrawing most-favored-nation treatment to Yugoslavia should not be overstated. Such action on our part would not by itself reverse the Yugoslav trend toward a system of economic administration approaching that of the free world economies. The Yugoslavs have learned—in great part as a result of their relations with the West over the past decade—that rigidly planned Soviet-type economies have their built-in inefficiencies.

At the same time, our withdrawal of MFN treatment would certainly discourage those elements in Yugoslav life that are moving the country toward Western ideas. The Yugoslavs today tend to think and look toward the West—particularly the younger generation. They are anxious to play a

role in the free commercial life of the free world. Given a chance, the prospect is that they will liberalize their economy as fast as their improving balance-of-payments position permits and will become a useful member of GATT.

Yet today the Yugoslavs are beginning to wonder whether they have a commercial future with the West. They are not members of the European Common Market, and the establishment of a common external tariff may prove a serious impediment to the expansion of their traditional trade with the Community countries. If we add more pressure on their economy by severely restricting access to our market for their exports, we shall be reinforcing the argument of the Soviet Union that independence from the bloc does not pay.

The Department feels there are hopeful signs of movement within several of the satellite countries and that it is important to encourage this movement. But we shall be severely limited if the United States forecloses the Western option for Yugoslav trade and creates an economic climate which compels the Eastern European countries to seek their commercial opportunities with the bloc.

DEPARTMENT OF STATE, October 1963.

MOST-FAVORED-NATION PROVISION IN FOREIGN AID BILL

The foreign aid bill contains a most important provision amending the Trade Expansion Act of 1962 to allow restoration of nondiscriminatory trade (most-favored-nation treatment) for Yugoslavia and Poland. This amendment was approved with bipartisan support by the Senate Finance Committee as well as the Foreign Relations Committee. It would not, of course, change existing law prohibiting trade in strategic materials.

Senate approval of the pending provision is sought for several important reasons:

1. Trade, not aid: Nondiscriminatory trade with these two countries will allow the United States to carry on its strategic objective of seeking to turn them increasingly toward the West. This will be done through commercial ties based on the free interplay of market conditions in which the United States is strong and which we have traditionally believed will lead to a more open society.

The opportunity for business transactions with Yugoslavia and Poland on the same basis as with other nations will allow the United States to continue to strengthen our relations with those two countries while shifting from aid to trade. Existing AID projects in Yugoslavia are being brought to a conclusion, and no new ones started except assistance financed principally from available Public Law 480 funds in connection with the Skopje earthquake. No AID projects have been undertaken in Poland except for a children's hospital in Krakow. Public Law 480 sales of surplus agricultural commodities will still be possible; but the increasing emphasis will be on commercial trade.

2. Increasing Western economic ties: Both Yugoslavia and Poland have repeatedly demonstrated their desire to expand commercial ties with free world countries. While Poland is part of the Communist trade bloc, it has persistently sought to expand its trade and ties with the West, thereby loosening its dependence on the Soviets. Poland now carries on over 35 percent of its trade with free world countries. Yugoslavia has come to have about three-fourths of its foreign trade with the free world and ever since the break with the bloc in 1948, it has been moving away from centralized direction of its economy toward a system in which market forces play a dominant role. Since 1961, it has begun a major series of reforms to integrate its economy with the world market and

has adopted a provisional system of tariffs based on the Brussels nomenclature.

To deny most-favored-nation treatment will likely curb the efforts of these two countries to strengthen their Western economic ties. Over 90 percent of the total value of Yugoslav exports to the United States would be subject to sharply increased rates of duty if most-favored-nation treatment is withdrawn. About 15 percent of Poland's trade with the United States would similarly be affected.

3. Debt repayment to the United States: The ability of Yugoslavia and Poland to repay indebtedness to the United States would be seriously impaired if needed sources of foreign exchange are denied by curbing their trade with this country.

Yugoslav obligations during the next several years will run in excess of \$10 million annually. Poland's debt repayment obligations to U.S. citizens whose property was nationalized amounts to almost \$11 million annually, and within the next few years the obligation will be in excess of \$13 million per year. The obligation will increase in 1967 to over \$20 million when the first payment in dollars for Public Law 480 transactions falls due. The capacity to pay these dollars to us depends on their ability to obtain dollars, and trade earnings are the source.

4. Historically established: Most-favored-nation treatment for Yugoslavia goes back to an 1881 treaty; and most-favored-nation for Poland was authorized by President Eisenhower in 1960. Denial of most-favored-nation treatment for the two countries will be a serious psychological as well as financial blow and will inevitably force both countries to turn more to the East.

5. Strategic significance for the United States: The fact that efforts to win Yugoslavia and Poland toward the West can have significant effect is best indicated by the improvement in U.S. relations with the two nations through past steps and by the major role both countries have played in splintering the Communist bloc.

For example, in 1958, when Yugoslavia split with the Soviet Union and U.S. assistance was extended, Greece was a battlefield for guerrilla warfare supported by Yugoslavia and other eastern European countries. Czechoslovakia only a few months before already had fallen victim to Communist aggression. Bolstered by the expanding Soviet presence on the Adriatic, the large Communist parties of Italy and France were increasingly aggressive in seeking to undermine the governments in those countries. The Soviet-Yugoslav break in 1948, followed promptly by U.S. aid to Yugoslavia, cut off the Soviets from direct access to the Mediterranean. Yugoslavia sealed off its border to guerrillas operating in Greece and this allowed Greek forces to concentrate on a contracted battlefield where they quickly moved to victory. Yugoslavia became a buffer zone for NATO, especially Italy, allowing the Italian Government to concentrate more on internal problems. The Trieste problem was also promptly settled. Rapid reduction of U.S. aid to Europe was facilitated by these developments. The more long term consequence has been the embittered squabbling and splintering within the bloc set off by Yugoslavia's unyielding insistence on independent nationalism. This has led to the end of the myth of monolithic Communist invincibility and a shift of underlying power toward the free world.

Poland, as a member of the Warsaw Pact, has of necessity played a more limited role. It has nevertheless served as a model for the other bloc countries in their recent tendency to exercise increased autonomy in internal affairs and to broaden relations with the West. The degree of freedom of religion and speech among the Polish people, the more satisfactory agricultural results achieved fol-

lowing the reversal of that country's collectivization policy, and Poland's special relationships with the West have all been watched intently by other Soviet bloc countries and noted with particular interest by their peoples.

General Eisenhower (quoted in "First Hand Report," by Sherman Adams):

"I am a little old-fashioned," (Charles) Wilson said, "I don't like to sell firearms to the Indians." Eisenhower turned on Wilson quickly and said, "You should say first what trade is, and what it is doing. Suppose you couldn't make a single firearm without raw material out of the enemy's country. The last thing you can do is to force all these peripheral countries—the Baltic states, Poland, Czechoslovakia, and the rest of them—to depend on Moscow for the rest of their lives. If you trade with them, Charlie, you've got something pulling their interest your way. You immediately jump to guns and ammunition. I am not talking in those terms. It must be selective. You are not going to keep them looking toward us and trying to get out from under that umbrella unless you give them something in the way of inducement to come out. You just can't preach abstraction to a man who has to turn for his daily living in some other direction."

ILLUSTRATIVE BACKGROUND ON CONDITIONS IN YUGOSLAVIA AND POLAND IMPACT OF AMERICAN IDEAS

In Yugoslavia, English has replaced Russian as the most widely taught language in the country; American and West European books are freely available at bookshops. American films are by far first in number shown each year; Voice of America broadcasts are unjammed; the U.S. Information Service is permitted to carry out a program on a greater scale than in any other East European country; American and West European newspapers and magazines are sold on the newsstands; the New York Times and Herald Tribune are taken by some 70 libraries. American plays are translated and performed regularly. Yugoslav intellectuals have been in close contact with American authors, sociologists, scientists, educators and economists.

In Poland, Voice of America broadcasts are unjammed; U.S. Government magazines distributed; American films, books, and commercial magazines circulated; American teachers and lecturers brought to Polish universities; and large exhibits of American products and American accomplishments shown at the Polish international trade fair each year.

Farming in Poland and Yugoslavia is now largely private and the ruthless drive toward collectivization has been reversed.

Socialization of arable land in Eastern Europe (collectives and state farms)—see table below:

Country:	Percent socialized 1963
Yugoslavia.....	13.0
Poland.....	13.0
Albania.....	86.0
Czechoslovakia.....	92.0
East Germany.....	96.0
Bulgaria.....	96.0
Rumania.....	96.0
Hungary.....	96.0
U.S.S.R.....	98.6

In Yugoslavia, present efforts are being directed to formation of privately owned co-operatives, similar to those in the West, in an attempt to increase farm size and efficiency. Both countries still give lipservice to eventual socialization.

FREEDOM OF RELIGION

In Yugoslavia, harsh repression of religion abruptly ended in 1949. A law passed in

1953 attempted to "normalize relations" between church and state. It provided for state assistance to the religious communities, the operation of theological seminaries, the reemergence of a religious press. Internal autonomy was guaranteed, interference with religious services prohibited, and the ban removed from church rites following civil marriages.

Archbishop Stepinac was released from prison in 1951, and, until his death in 1960, was a focal point of hostility between the Roman Catholic Church and the Communist regime. Relations between the Roman Catholic Church and the Yugoslav Government have since improved; channels of communications have been established at local, provincial and federal levels; and Catholic prelates have been issued exit papers without difficulty for visits to the Vatican.

The basic problem involved in church-state relations in Yugoslavia—the incompatibility of Communist ideology and religion—remains unresolved; but, before 1949, when U.S. assistance arrived, religion was treated with the full range of strong-arm attacks and other police state methods. Today the regime is seeking to regularize its relations with religious groups, and to improve general church-state relations. This is being attempted without, however, giving up basic Communist principles and objectives.

In Poland, freedom of religion had been under severe Communist repression and is still embattled, but has made meaningful strides:

Catholics (who make up 95 percent of the population) enjoy basic freedom of worship. The church maintains a nationwide program of religious education for children as well as a Catholic university and seminaries. Cardinal Wyszyński, Polish primate, and many of the Polish bishops have recently traveled to the Vatican on several occasions in connection with the ecumenical council and the conclave. The Government treats a number of religious holy days as national holidays. The following description of a church service is taken from an eyewitness report in Newsweek magazine (June 18, 1962):

"In Warsaw, in the darkened Church of the Holy Cross, a young priest has just finished reading Stefan Cardinal Wyszyński's pastoral letter urging the faithful to fight atheism, materialism, and the corruption of youth.

"And now," the priest intoned, "repeat after me: We pledge to thee, Holy Mary, Queen of Poland, that we shall fight the evil forces of atheism and materialism, and that we shall protect our youth. So help us God."

"The congregation, kneeling in the pews, in the aisles, and on virtually every inch of the floor, solemnly repeated the pledge."

FREEDOM OF SPEECH AND THE PRESS

In Yugoslavia, freedom of speech and the press is limited, but has changed drastically since Yugoslavia was part of the monolithic Soviet bloc. The author of the widely known anti-Communist books, "New Class" and "Conversations With Stalin," Milovan Djilas, is in jail, but his books came out of the present intellectual ferment in that country. The overwhelming majority of Yugoslav writers within the system have experimented relatively freely and with comparative lack of interference in their work. Yugoslav newspapers publish more straight news and more balanced news than those in any other Communist country, and they subscribe to AP, UPI, and the New York Times service. Foreign correspondents are not censored and they are free to report what they can find out.

Eyewitnesses attending local area meetings report sharp and outspoken criticism of the regime, especially in regard to economic and social plans, and to execution of

previously approved projects. In local government meetings, greater participation by the public and by locally elected officials is increasingly encouraged, and the opportunity for expressing opinions and attitudes toward local problems is increasingly utilized.

In Poland, freedom of speech and the press is limited but contrasts sharply with conditions when Poland was fully under Soviet control:

"I agree to the present state of affairs on condition that our children's freedom will be greater, not less. We talk of competing with the West. This competition cannot be purely economic. It must also extend to the field of rights, to the field of freedom." (Polish Scientist Leopold Infeld, in Przegląd Kulturalny (Warsaw), November 23, 1961.)

At the end of 1961, Polish pollsters found their teachers read Western novelists. Of 220 primary school teachers questioned, not one had mentioned a contemporary Polish or Soviet novel. Secondary school teachers listed Hemingway, Camus, and Steinbeck as most frequently read, and in an expanded list did not include a single Communist writer. Radio Warsaw, reporting these things, complained that children praised the capitalist system in their school essays, and that even those that defended socialism were unable to state points of superiority.

Trade and aid data—U.S. exports of domestic merchandise to Yugoslavia for 1962 (selected commodities)

COMMODITY GROUP AND SUBGROUP DESCRIPTION

	Value (dollars)
Animals and products, edible:	
Meat and meat products.....	323,068
Animal oils and fats, edible.....	7,500
Dairy products.....	630
Fish and fish products.....	1,199
Animal products, edible.....	14,705
Subtotal.....	347,102
Animals and products, inedible:	
Hides and skins, raw, except furs.....	1,182,345
Leather.....	2,034
Furs and manufactures.....	1,080
Animal and fish oil and grease, inedible.....	328,752
Animal and animal products, inedible.....	9,673
Subtotal.....	1,523,884
Vegetable products, edible:	
Grains and preparations.....	50,515,802
Fodders and feeds.....	2,027,455
Vegetables and preparations, edible.....	3,105
Fruits and preparations.....	413,234
Nuts and preparations.....	1,239
Vegetable oil, fat and wax, refined.....	763,527
Cocoa, coffee, tea, and substitutes.....	5,199
Spices.....	3,048
Sugar and related products.....	3,091
Subtotal.....	53,735,700
Vegetable products, inedible:	
Rubber and manufactures, exclusive of sc 2.....	741,006
Naval stores, gums, and resins.....	21,230
Vegetable oil, fat and wax, crude.....	8,297,505
Nursery and floral stock.....	3,534
Tobacco and manufactures.....	1,072,754
Miscellaneous vegetable products, inedible.....	41,540
Subtotal.....	10,177,569

Trade and aid data—U.S. exports of domestic merchandise to Yugoslavia for 1962 (selected commodities)—Continued

	Value (dollars)
Textile fiber and manufactures:	
Cotton, unmanufactured.....	15,189,393
Cotton, semimanufactures.....	723,262
Cotton manufactures.....	72,689
Vegetable fibers and manufactures.....	22,178
Wool manufactures.....	7,257
Hair and manufactures.....	1,842
Silk and manufactures.....	536
Manmade fibers and manufactures.....	1,418,035
Miscellaneous textile products.....	6,872
Subtotal.....	17,442,064
Wood and paper:	
Wood, unmanufactured.....	895
Wood manufactures.....	26,497
Paper base stocks, except rags.....	1,117,766
Paper, related products and manufactures.....	387,100
Subtotal.....	1,532,258
Nonmetallic minerals:	
Coal and related fuels.....	3,912,094
Petroleum and products.....	1,478,751
Stone, hydraulic cement and lime.....	204
Glass and products.....	46,721
Clay and products.....	15,137
Nonmetallic minerals.....	98,494
Subtotal.....	5,551,401
Metals and metal manufactures:	
Iron and steelmaking raw material.....	1,290,442
Iron and steel mill prod roll and fl.....	2,704,777
Metal mfrs.....	3,121,065
Alum ore, etc., & semfab form.....	3,843,330
Copper ore, etc., & semfab form.....	5,992,271
Copper base alloy and semfab form.....	1,560
Nickel ore, etc., & sfab form.....	556
Tin ore, etc., & semfab form.....	121,220
Nfer ore, etc., & sfab f, nec.....	85,945
Prec mtl & plated ware, nec.....	992
Subtotal.....	17,162,158
Machinery and vehicles:	
El mach and app except sc 2.....	3,583,225
Power generating mach. nec.....	2,313,956
Constr. excav. and mining mach.....	1,955,894
Mtl ctg mach. tools ex scl.....	1,991,209
Mtl form mach tools.....	111,248
Mtlwrkng mach nec pt and acc.....	8,308,061
Textile, sewing and shoe mach.....	634,461
Industrial mach and parts, nec.....	11,614,190
Office acctg and comptg mach.....	478,387
Printg, bookbinding apparatus.....	93,352
Agric mach implements and pts.....	144,595
Tractors, nec pts.....	542,710
Auto. etc. pt and acc. ex sc 2.....	457,266
Aircraft pts acc ex sc 2.....	8,000
Watercraft, excl of sc 1.....	6,432
Railway transportation equip.....	113,177
Vehicles and parts, nec.....	7,389
Subtotal.....	32,363,552

Trade and aid data—U.S. exports of domestic merchandise to Yugoslavia for 1962 (selected commodities)—Continued

	Value (dollars)
Chemicals and related products of:	
Coal tar and products, ex. sc.	17,484
Medicinal and pharmaceutical preparations	1,538,779
Chemical specialties	1,435,549
Industrial chemical ex. sc. 1.	446,850
Pigments, paints, and varnishes	165,681
Soap and toilet preparations	2,227
Subtotal	3,606,570

Miscellaneous:	
Photo proj. goods ex. sc. 1.	317,711
Sci. and prof. eq. nec. ex. sc. 1.	1,330,137
Musical instruments pts. and acc.	36,256
Misc. office supplies	19,982
Toys, games, athl. and spgt. goods	4,630
Books maps and prnt. mat. nec.	54,258
Misc. commod. nec. excl. sc. 1.	8,876,032
Subtotal	10,639,006

Yugoslavia, total 154,081,264

Total U.S. exports to and imports from Yugoslavia

[In millions of dollars]

	1948	1953	1960	1961	1962
U.S. imports	5	31.6	40.2	39.2	48.3
U.S. exports	8	108.7	86.0	153.9	154.1

(The U.S. export data include Public Law 480 sales, Export-Import Bank loans, and AID programs including the Development Loan Fund. In 1962, U.S. exports for the first time in many years dropped rather than increased and were exceeded by imports as a result of Yugoslav foreign trade reforms and successive droughts forcing a 2.4 percent reduction of Yugoslav imports for the year.)

U.S. AID TO YUGOSLAVIA

Current U.S. assistance to Yugoslavia is almost exclusively in the form of surplus agricultural commodities under the Public Law 480 program. The last loan from the Development Loan Fund of the Agency for International Development was made in the fiscal year 1961. Grants from the Agency for International Development amounted to \$3.3 million in fiscal year 1961, \$0.5 million in fiscal year 1962 and \$0.1 million in fiscal year 1963. The fiscal year 1963 grant was made from funds authorized by the Congress to complete orderly phasing out of prior year AID activities.

Under title I of the Public Law 480 program the United States sells surplus agricultural commodities to Yugoslavia for Yugoslav currency. Ten percent of the sales proceeds are reserved for U.S. uses, and the remaining 90 percent is made available to the Yugoslav Government, principally in the form of loans, for economic development projects. The United States is also selling commodities to Yugoslavia on 15-year dollar credit terms under title IV of Public Law 480. Under title III of Public Law 480, surplus agricultural commodities are provided to support U.S. private relief agencies operating in Yugoslavia, such as CARE, Church World Service, and Lutheran World Relief.

As a result of the disastrous earthquake which virtually destroyed the city of Skopje, Yugoslavia, on July 26, 1963, the United States has provided emergency relief assistance consisting of medical aid and supplies, blankets and cots, shelter, food and transportation services. In addition, 37.5 billion dinars in U.S. holdings, equivalent to \$50

million at the current exchange rate, was made available for relief and construction from Yugoslav currency holdings available for U.S. use.

Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1954, to June 30, 1963

Wheat and flour (bushels)	221,140,000
Cotton (bales)	656,000
Nonfat dry milk	5,441,000
Fats and oils (pounds)	666,159,000
Dry edible beans (hundred-weight)	222,000
Fresh fruits (pounds)	15,504,000
Canned fruit and juices (pounds)	4,993,000

1962 U.S. exports of domestic merchandise to Poland

COMMODITY GROUP AND SUBGROUP DESCRIPTION	Value (dollars)
Animals and products, edible meat and meat products	7,659
Hides and skins, raw, ex furs (inedible)	386,297
Leather manufactures (inedible)	1,728
Animal and fish oil and grease, inedible	4,021,903
Subtotal (edible and inedible)	4,417,587

Vegetable products, edible:	
Grains and preparations	43,930,624
Fodders and feeds, nec.	123,025
Vegetables and prep., edible	3,800
Fruits and preparations	10,190
Veg. oil, fat and wax, refined	3,245,588
Cocoa, coffee, tea, and substitutes	18,264
Beverages	940
Subtotal	47,332,431

Vegetable products, inedible:	
Rubber and manufacturers excl. of sc. 2.	1,450,239
Oil seeds exc. essential	478,944
Veg. oil, fat and wax, crude	4,367,363
Seeds, except oil seeds	2,726
Nursery and floral stock	180
Tobacco and manufactures	346,143
Misc. veg. products, inedible	77,070
Subtotal	6,722,665

Textile fiber and manufactures:	
Cotton, unmanufactured	20,523,937
Cotton, semimanufactures	203,635
Cotton manufactures	1,000
Wool, unmanufactured	11,000
Wool, semimanufactures	563,270
Manmade fibers and manufactures	638,789
Subtotal	21,941,631

Wood and paper:	
Sawmill products	29,850
Wood manufactures	8,500
Paper, related products and manufactures	5,945
Subtotal	44,295

Nonmetallic minerals:	
Glass and products	2,533
Clay and products	85,161
Nonmetallic minerals, nec.	394,832
Subtotal	482,526

Metals and metal manufactures:	
Ir & stl mill prod roll & fl.	176,537
Castings and forgings	16,330
Metal mfrs. excl. of sc. 1.	15,152
Alum ore, etc. & semfab form.	732,819
Nfer ore, etc. & sfab f, nec.	144,830
Subtotal	1,084,668

1962 U.S. exports of domestic merchandise to Poland—Continued

	Value (dollars)
Machinery & vehicles:	
El mach & app except sc 2.	237,509
Power generating mach, nec.	45,295
Constr. excav & mining mach.	220,583
Mtl ctg mach. tools ex sci.	246,943
Mtl form mach tools	13,211
Mtlwrking mach nec pt & acc.	1,864,756
Textile, sewing & shoe mach.	79,478
Industrial mach & parts, nec.	186,539
Office acctg & comptg mach.	34,004
Printg, bookbng apparatus	17,758
Agric mach implements & pts.	7,081
Auto, etc. pt & acc. ex sc 2.	18,845
Aircraft pts acc ex sc 2.	23,648
Watercraft, excl of sc 1.	7,700
Subtotal	3,000,350

Chemical and related products:	
Coal tar and products, exc sc.	50,895
Medicinal and pharmaceut prep.	850,622
Chemical specialties	76,728
Industrial chemicals ex. sci.	86,670
Pigments, paints and varnishes	1,377
Chemical and related products—Continued	
Soap and toilet preparations	828
Subtotal	1,067,120

Miscellaneous:	
Photo proj goods ex sc 1.	99,710
Sci and prof eq. nec. ex sc 1.	112,214
Musical instruments pts and acc.	18,934
Misc. office supplies	2,000
Toys, games athl and spgt good	4,712
Books, maps, and print mat nec.	143,003
Misc. commod nec excl sci.	7,930,697
Subtotal	8,311,270
Total	94,404,543
Department of State, Oct. 29, 1963.	

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POLAND? YUGOSLAVIA?—WHY HELP COMMUNISTS?
(By Christian A. Herter)

Emotion is rarely a reliable guide to sound policy decisions. Yet all of us are tempted at one time or another to speak out or act in anger against situations not to our liking. More often than not, we discover anew that we cannot end our troubles merely by opposing them. In the conduct of international relations, we are far more likely to achieve our goals by careful planning and the quiet and skillful use of diplomatic tools than by harsh words and hasty decisions.

A case in point is our relationship with the countries of Eastern Europe. Few of the numerous problems that confront us in the world generate more frustration or arouse more controversy than this. Many of us, and more of our ancestors, came from that area of states that runs through the heart of Europe from Poland to Rumania. It distresses us to know that most of the people now living in those countries are ruled by regimes they neither approve of nor respect. We blame ourselves, in part, for not successfully opposing their absorption into Moscow's empire. And we find it galling that we can do so little now to promote their freedom and independence.

Against this background of concern and frustration, it is not at all puzzling that we should occasionally lash out at the Commu-

nist rulers and all their works, that we should seek to end or prevent any action on our part that might lend them comfort or prestige. This feeling was reflected most recently by the action of the Senate in voting to ban any assistance to countries "known to be dominated by communism or Marxism."

This sweeping restriction was modified the following day by a second amendment to the Foreign Assistance Act, sponsored jointly by the Democratic and Republican leadership in the Senate, which permitted the use of surplus agricultural products for foreign assistance in some circumstances. Even so, the surplus products are not to go to any country "participating directly or indirectly in any policy or program for the Communist conquest of the world" or to one that is "controlled by any country promoting the Communist conquest of the world."

At almost the same time, the Ways and Means Committee of the House was sending to the floor a foreign trade bill that would exclude Poland and Yugoslavia from most-favored-nation treatment under our system of tariffs.

These actions in the Congress sought to reverse policies followed by three administrations, two Democratic and one Republican, for a dozen years and more. I am certain that the frustrations mentioned earlier played an important part in these actions. Also at work was the feeling that the assistance given Poland and Yugoslavia in recent years had produced no tangible results from the point of view of our interests. There was understandable irritation that Polish and Yugoslav leaders frequently criticized the United States but not the Soviet Union. Some legislators argued that it made no sense for the United States to go out of its way to ease the economic problems of Communist regimes.

"I am not able to understand how we would help people to get free by making their tyrant masters stronger," one Senator said during debate on the foreign assistance amendment. It was a question that many Americans have asked themselves. Why should we help a Communist government?

The first and most obvious answer is that our policy is not designed primarily to help governments but rather to help the unfortunate people of the countries concerned. That it helps the governments, we recognize, of course. But for any realistic judgment, we need to look at the total effect, not merely the most obvious one; the subtle and indirect consequences of action are frequently more important than those readily discernible.

For a fuller answer, we must know just what it is that we have done to assist Poland and Yugoslavia. We should consider the reasons that convinced Presidents Truman, Eisenhower, and Kennedy that such aid was in the security interests of the United States. Finally, we should study the results of this policy.

Only then can we judge whether the course we have pursued has produced useful results, and whether it should be continued.

In the years immediately following World War II, Yugoslavia was probably the most militant and extreme of Moscow's recently acquired satellites. That very extremism created problems. Tito, in those days, was, if anything, more Stalinist than Stalin himself and his militancy created intrabloc problems of discipline and control. Stalin sought to take over the Yugoslav party from within. When that failed he engineered the exclusion of Tito and his followers from the Cominform.

The Soviet dictator calculated that without his support, the Yugoslav Communists would quickly be brought to heel. He was wrong, and it proved to be one of his most serious blunders. For Tito had broken the so-called monolithic unity of the Communist bloc, the winds of nationalism and independence began to blow, and their erosive effect on Mos-

cow's control have become increasingly apparent.

Yugoslavia's break with Moscow and its pursuit of an independent course produced significant political and strategic advantages for the United States and the rest of the non-Communist world. Soviet power was rolled back from the Adriatic Sea and from Italy's northeastern border. Austria's southern boundary was freed from Moscow's control. The closing of Yugoslavia's borders to Greek Communists sounded the death knell for the latter's effort to win over Greece.

Other consequences flowed from Yugoslavia's independent course, to the obvious advantage of both the Yugoslavs and the West. The pace of development accelerated and living standards rose. Foreign trade increased and more than two-thirds of it was with nonbloc countries. Cultural and technical contracts have grown and new bonds of friendship have been established. Over the past decade, thousands of westerners have visited Yugoslavia and come to know firsthand that country, its progress and problems, and its intelligent, able, and fiercely independent people. And many Yugoslavs have been able to see the West and to compare its reality with the propaganda stereotypes.

We know that the present course has been welcomed by most young Yugoslavs and by broad segments of the population at large. We should harbor no illusions, however, as regards the present political leadership and its basic Communist orientation. Nonetheless, President Tito is a proud and independent man, and he is a Yugoslav. However much he might welcome readmission to the bloc, he is not likely to consider it on terms of less independence than he demanded in 1948. And from Moscow's viewpoint, such a demand could only stimulate the forces of nationalism which already have caused the Kremlin incalculable trouble.

The danger in the present situation is that a drastic revision of U.S. policy along the lines of the proposed Senate amendment would sharply reduce Yugoslavia's freedom of choice. A harsh stiffening of our policy and a modest softening of Moscow's might convince the men in Belgrade that they had only one road open to them. The hand of those who all along have favored a reorientation of Yugoslav policy in the direction of closer ties with Moscow would be incredibly strengthened; those whose orientation has been toward the West would be left with few effective arguments or defenses.

In testimony before a House committee earlier this year, Secretary of State Dean Rusk said: "We believe the question answers itself as to whether we would prefer that the Yugoslavs fall back into dependence on the Soviet bloc and thus reorient their country toward the East. We are convinced that the present policy, supported by three administrations and fully tested by time and events, is effective and in the interests of this country."

There are elements of both similarity and considerable difference in the situations in Poland and Yugoslavia. Like the Yugoslavs, the Poles are a proud and independent-minded people. But they are also realists and they know that their geographic position creates special problems for them. Bordering the Soviet Union and athwart the main lines of communication between the Soviet state and East Germany, Poland knows that any overt moves in the direction of a rupture with Moscow would produce the most severe kind of repression. It does not enjoy the kind of relative isolation from the Soviet Union that made Yugoslavia's break with Moscow possible.

During the first decade after World War II, Poland's Communist leaders were docile followers of Stalin and careful executors of his policies. American policy toward the Warsaw regime paralleled that toward the other members of the Soviet bloc. But

in 1956, revolt against blind acceptance of the Soviet pattern erupted in Poland. Wladyslaw Gomułka, who had been jailed by the Stalinists, assumed power on the crest of this Poland-first demonstration.

The new Polish leader had to walk the narrow ledge between his basic loyalty to Moscow and to Marxism-Leninism and his comprehension of the demands of his own people for liberalization and more freedom. Forced collectivization of farmlands was halted. Pressures on the Catholic Church were reduced. Limitations on contracts with the West were relaxed and the Warsaw government moved to improve its long-neglected relations with nonbloc countries.

As we watched these developments from Washington, we concluded that they should not pass unnoticed. In October 1956, the late Secretary of State John Foster Dulles declared:

"The captive peoples should never have reason to doubt that they have in us a sincere and dedicated friend who shares their aspirations. They must know that they can draw upon our abundance to tide themselves over the period of economic adjustment which is inevitable as they rededicate their productive efforts to the service of their own people, rather than of exploiting masters. Nor do we condition economic ties between us upon the adoption by these countries of any particular form of society."

A few days later, President Eisenhower said:

"The United States has made clear its readiness to assist economically the new and independent governments of these countries. We have already—some days since—been in contact with the new Government of Poland on this matter. We have also publicly declared that we do not demand of these governments their adoption of any particular form of society as a condition upon our economic assistance. Our one concern is that they be free—for their sake, and for freedom's sake."

Since 1957, these expressions of interest and support have taken the practical form of credits and deliveries of surplus farm products. There has been a significant and fruitful growth in technical and cultural exchanges. Thousands of Americans and Poles have come to know each other well, whether as official visitors or as tourists. Well-known Americans, such as former Vice President Nixon, who have visited Poland, have been overwhelmed with the warmth and friendliness of their reception by the Polish people.

The Poles know that economic assistance from the United States has helped to raise their standard of living. They know that grain imports from America have permitted their farmers to concentrate on other agricultural products that earn hard currency on world markets. Their farm situation, the best by far in the Soviet bloc, has enabled them to resist pressures for tighter controls and possibly a revision to the hated collectivization.

They know, too, that help from the United States has permitted the Government in Warsaw to steer a course freer of dominance from Moscow than would otherwise have been possible.

There have been reports lately of discouraging developments within Poland that we can only read with regret. New pressure is being exerted against the Catholic Church by the government. The authorities have expanded controls over the press and the schools. Nevertheless, the Polish people enjoy a measure of freedom unknown in any other bloc country. And Polish farmers still own more than 85 percent of the land under cultivation, whereas in other bloc countries that percentage or more is under the stultifying hand of collectives.

Nor has Gomułka surrendered his views on the right of each state to determine and

follow its own road to socialism without being rigidly tied to the Soviet model. Following the 22d Soviet Communist Party Congress last fall, Mr. Gomulka in his report said: "Every party is fully independent and autonomous and bears full responsibility for the country it rules and for its policy in the country."

There is evidence of many other significant differences between the views held in Moscow and those dominant in Warsaw on both domestic and foreign issues. While the Soviet Union has been stressing the desirability of expanding intrabloc trade, Poland has been establishing a privileged sector of industry producing primarily for Western markets.

As we look at these and other facts of life inside the Soviet system, it is more important than ever for us to distinguish between the myths and the realities. This is particularly vital as we consider our policies toward Yugoslavia and Poland. The basic objective of our policy in both countries has been to encourage their independence and freedom for their people.

Critics of the course we are and have been following tend, I think, to regard the public statements of Tito and Gomulka on foreign policy matters as the only valid evidence of what is happening in their two countries. Each expression of friendship for Moscow is read as a sign of our own failure. Those who would have us turn our backs on those most friendly to us in Poland and Yugoslavia seem surprised to discover with some regularity that Messrs. Tito and Gomulka are still Communists.

Surely this is not the time to walk away from the competition. I can think of few actions on our part that would be more welcome in Moscow than that. If I were Mr. Khrushchev, I would surely heave a sigh of relief if I knew that Poland's and Yugoslavia's windows to the West were being bricked over. Never have the signs of internal disarray been more obvious within the Soviet empire than they are today. Never have the forces of autonomy and independence been more evident.

There is a puzzling inconsistency in all of this that we should consider. We have all heard words of warning about the effectiveness of Moscow's penetration of an increasing number of countries through trade-and-aid offensives. Yet some of us who seem most alarmed at this intensified competition are among those who would deliberately deprive ourselves of the opportunity to carry on this brand of peaceful competition within the bloc itself.

One of our problems, I believe, is our impatience and our desire to find clear-cut and quick answers. Given the complexities of our world, there are few such answers short of devastation. We must gird ourselves for the long, hard pull that this kind of competition requires. The search for shortcuts can drive us into hasty and emotional decisions that only create new problems.

A policy of abandonment toward key areas of Eastern Europe would seem to me to be the ultimate in the "no win" policy we hear discussed these days. Its logical outcome would seem to be either surrender or military conflict. Certainly we cannot "win" a competition in which we refuse to participate. And if we hope for internal tension and turmoil as the outcome of our inaction, we must in good conscience be prepared for the consequences of such a development.

I doubt that that is what we want. I doubt that such an outcome would serve well the interests of freedom or independence of our friends in Eastern Europe.

The question of our policy is sometimes phrased as one of aid for Communist governments versus no aid. That is not the real issue. The central question is whether the

President is to have available to him the authority to extend or not extend assistance at times and places where the available evidence indicates that such action would promote our own national security interests.

It is also a matter of our overall posture toward peoples now living under unwanted Communist rule. If they and their governments know they cannot count on us for urgently needed help, they will suit their actions and their policies to fit that fact. If they realize that such help might be forthcoming in certain circumstances, their actions could be quite different.

Two years ago, as Secretary of State, I expressed my views on this matter in a speech to the American Bar Association in Washington. I said then:

"We have tried to encourage any trend toward greater freedom within the Communist bloc. We aided Yugoslavia, whose break with the bloc compounded the difficulties of maintaining monolithic Soviet control over the remaining Eastern European states. We are helping Poland. We have sought through exchange programs and other personal and cultural contacts to broaden the exposure of the Soviet people to outside influences.

"If we hold to our course, I believe that these trends will continue and will work in our favor. Basically our policy is running with the grain of history."

My reading of the situation in which we find ourselves today only reinforces that conviction.

Mr. HARTKE. Mr. President, I commend the Senator from Ohio for bringing the situation to a head. There is no real difference in ideology between these dictators. This man is an opportunist. This is the type of opportunism which the Communists work to their advantage.

The Senator from Ohio has said that he is going to stand alone. He is not going to stand alone so far as I am concerned. I am going to stand with him.

Mr. LAUSCHE. Mr. President, the Senator from Indiana has asked that he become a joint sponsor of the amendment. I ask that his name be added to it and that the amendment be known as the Lausche-Hartke amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. If I am in error, the distinguished chairman of the Foreign Relations Committee is present, and he can correct me. As I read the figures from page 40 of the report, it states that U.S. imports from Yugoslavia in 1962 totaled \$48.3 million, and U.S. exports to Yugoslavia were \$154.1 million, of which an estimated \$131 million were financed by the U.S. Government under AID programs, Public Law 480, and Export-Import Bank loans.

According to my computation, \$131 million subtracted from \$154.1 million leaves \$23.1 million, which leaves a deficit balance of \$25.2 million. Am I in error?

Mr. FULBRIGHT. No; that is correct. It is in the committee report. We were not trying to deceive anybody. Yugoslavia has substantial loans from the International Bank, and it is servicing Yugoslavia's loans. The Senator is correct. That is quite clear from page 40 of the committee report.

Mr. HARTKE. Is it not true that on a recent trip to South America, Tito attempted to make an agreement to extend

long-term credits to South American countries, and in fact concluded such agreements?

Mr. FULBRIGHT. I am not informed as to that.

Mr. HARTKE. Did he not also make long-term agreements with Bolivia to sell that country machinery?

Mr. FULBRIGHT. I am not informed as to that. I have not made a special study of trade with every other country.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. It is my understanding that Tito did offer the Bolivian Government \$5 million. I wish other governments would make loans to some countries and offer aid on a bilateral or multilateral basis, instead of making this country carry the whole burden.

Mr. FULBRIGHT. If Tito wishes to trade, I assume, as in the case of every other country, he is trying to trade in every way he can.

Mr. HARTKE. Mr. President, will the Senator yield further?

Mr. LAUSCHE. I yield.

Mr. HARTKE. Is it not true that so far as special favors and Tito are concerned, such favors, or special consideration, or the most-favored-nation treatment, are not being extended to other Communist countries except Poland?

Mr. FULBRIGHT. The Senator from Illinois said there is no special consideration; there is no preferential treatment over 44 other countries, I think the number is.

Mr. HARTKE. What other Communist countries have received such treatment?

Mr. FULBRIGHT. Poland and Yugoslavia.

Mr. HARTKE. They are the only two Communist countries.

Mr. FULBRIGHT. Yes; and previous administrations have found good reason for it.

Mr. HARTKE. I am not arguing about what previous administrations did.

Mr. FULBRIGHT. No one has insinuated in the slightest degree that both are not socialistic countries.

Mr. HARTKE. I heard the distinguished Senator from Oregon say he did not want to cheat America out of this trade. What about the situation as to imported zinc? An application as to zinc was before the Tariff Commission, and the decision was 3 to 2. It was a hotly contested decision.

Mr. FULBRIGHT. It amounted to \$766,000 with respect to zinc.

Mr. HARTKE. That is correct.

Mr. FULBRIGHT. That is a very great matter to become excited about.

Mr. HARTKE. That is only one. There have been split decisions over and over again. I do not care if we proceed on an equal basis, but how do Communist countries establish their prices? Do they establish them on the basis of cost, as we do?

Mr. FULBRIGHT. I do not know how they establish their prices. We do not give them a special price. They have to meet the world price.

Mr. HARTKE. They do not have to worry about labor or production costs.

Mr. FULBRIGHT. I think they have to worry about all costs; otherwise they could not meet the competition. They cannot sell to us at any higher price than that offered by any other country. Any country that produces any product has to worry about costs.

Mr. HARTKE. It is true that, so far as Communist and Socialist governments are concerned, they can export items at prices that have no relation to production or labor costs. There is no definite way to make a determination in the Tariff Commission as to what the costs are.

Mr. MANSFIELD. Mr. President, will the Senator yield for an answer?

Mr. LAUSCHE. First, we must adjust our prices to the cost of production. Communist countries do not have to do so, and deliberately do not do so, because their intent, first, is to dupe their own people; and, second, they are intense in their belief that the free nations will perish, and subsequently they will be able to do whatever they please.

I yield now to the Senator from Montana.

Mr. MANSFIELD. I would just as soon have a vote.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Vermont.

Mr. AIKEN. My understanding is that 20 percent of the grain produced by Polish farmers is sold to the Government, and the other 80 percent is sold on the open market. Poland and Yugoslavia are two Communist countries that have not taken the land entirely away from the people. I do not think the Polish Government has forcibly acquired any of the land of its farmers. Twenty-five percent of the land in Yugoslavia is Government owned, but the people are not required to sell to the Government.

Mr. LAUSCHE. Mr. President, I apologize to the Senator from Colorado [Mr. DOMINICK], inasmuch as he is one of the original sponsors of the amendment. I suggest that it be called the Dominick-Hartke-Lausche amendment.

Mr. HUMPHREY. Mr. President, I rise to support fully and completely the action taken by the Committee on Foreign Relations which the Lausche amendment seeks to overturn. In effect, I am in favor of maintaining the existing situation. I am against an abrupt and unreasonable change of course. Such a change, though seemingly modest on its face, would have enormously important implications for the whole course of our foreign policy with respect to Eastern Europe.

What the Committee on Foreign Relations is trying to do, Mr. President, is to continue treating Yugoslavia as a nation which is neither a pariah nor actively hostile to the United States, but rather as a country with which we would like to maintain as normal commercial relationships as possible. We are not talking about foreign aid here. We are not talking about giving unusual preferential treatment to a Communist country. We are not talking about our personal dislike for the Yugoslav form of government. We are not expressing any fondness for the head of the Yugo-

slav Government. We are talking about trade in consumer goods. There is no question of any strategic materials whatsoever being involved. And quite frankly, we should be cutting off our noses to spite our faces if we Americans refused to make such trade possible when without doubt our Western European allies will continue to engage in such trade.

But the paramount question here is the political and psychological one. It is not just a matter of pushing Mr. Tito into the arms of Khrushchev if we erect prohibitively high tariff barriers against Yugoslavia. On the contrary, this is an issue which will serve to influence our whole policy toward the unfortunate countries of Eastern Europe which have been sucked into the orbit of the Kremlin. The one peaceful and promising means we have of opening a window to the West for the satellite states surely is through trade. If our long-established aim of liberation of those countries from Soviet imperialism is to remain more than an empty phrase, we must preserve and expand any opportunities we now have to create normal commercial ties with Eastern Europe.

That, Mr. President, is the basic reason why this amendment is vitally important to our foreign policy. It is the basic reason why I strongly oppose the Lausche amendment. I hope it will be soundly defeated.

MOST-FAVORED-NATION TREATMENT TO POLAND AND YUGOSLAVIA

Mr. FULBRIGHT. Mr. President, this is one of the most important substantive provisions of the bill. It raises a fundamental issue of policy; yet the point which is directly involved is a relatively small one.

It is important that Senators be clear as to exactly what is—and is not—involved.

In the first place, the language in the committee bill does not represent a new policy on the part of the United States. On the contrary, it will make it possible for the United States to continue the policy it has been following. There is no new or special concession involved. Both Poland and Yugoslavia now receive most-favored-nation treatment. The bill will simply enable the President to make it possible for them to continue to do so.

In the second place, most-favored-nation treatment does not represent any especially favorable position, and in this respect the term itself is somewhat misleading. As a matter of fact, prior to 1951, U.S. law required the extension of most-favored-nation treatment in matters of foreign trade to all nations and foreign areas.

The Trade Agreements Extension Act of 1951 directed the President, as soon as practicable, to withdraw most-favored-nation treatment from the Soviet Union and from "any nation or foreign area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

It is important to note that this did not apply to nations with Communist governments per se, but only to those

nations dominated by international communism. The distinction is crucial.

Under the terms of the 1951 act, most-favored-nation treatment was withdrawn from the Soviet Union and all Soviet-dominated countries. But it was not withdrawn from Yugoslavia which had broken with the Soviet bloc in 1948, though retaining a Communist government.

Beginning in 1956, Poland likewise began to manifest a degree of independence from the Soviet Union, and this developed to the point where, by 1960, President Eisenhower reinstated most-favored-nation treatment to Poland.

The Trade Expansion Act of 1962 contained a provision directing the President, "as soon as practicable," to withdraw most-favored-nation treatment from "any country or area dominated or controlled by communism." Note the difference from the act of 1951, which withdrew most-favored-nation treatment from only those countries dominated by the international Communist movement.

Compliance with the 1962 act in the case of Yugoslavia would involve the abrogation of a treaty dating back to 1881. This is a process which, by the terms of the treaty itself, requires 1 year.

In the case of Poland, compliance with the 1962 act would involve breaking an understanding on the basis of which a \$40 million claims settlement was reached with Poland.

Because of the treaty with Yugoslavia and the claims settlement with Poland and because the Congress has been reconsidering its action of last year, the President has felt justified in not initiating steps to withdraw most-favored-nation treatment from those countries. It should be clear, however, that the United States has the legal right to abrogate the treaty with Yugoslavia, in accordance with the treaty's terms. Further, the United States is not committed to maintain most-favored-nation treatment for Poland into the indefinite future. It should be recognized, however, that if we do withdraw most-favored-nation treatment from Poland, the Poles will most probably stop payments on the claims settlement and refuse to negotiate a still-pending settlement on outstanding dollar bonds.

All of this, however, the United States could survive. What is really important about the provision of the committee bill is that it enables the President to use trade as an instrument of foreign policy to encourage the growth of national independence in Eastern Europe.

The realistic alternatives in Eastern Europe are between a monolithic structure of docile satellites firmly controlled by the Soviet Union and a collection of states which have Communist governments but which also maintain a degree of national independence. The latter is clearly to be preferred by the United States. The powers which the committee bill gives to the President will help to achieve it, though there is no guarantee that they will be successful.

But it is plainly a wild delusion to base our policy toward Eastern Europe

on the unfounded hope that a series of liberal democracies can be brought into being there in the foreseeable future. The Eastern Europeans themselves will plainly be better off with some freedom than with no freedom.

The whole purpose of this section of the committee bill is to contribute to that end, and I strongly urge the Senate to uphold the committee's decision.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. LAUSCHE] for himself and other Senators, to the committee amendment, in the nature of a substitute, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Alaska [Mr. GRUENING], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Rhode Island [Mr. PASTORE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], the Senator from South Carolina [Mr. THURMOND], the Senator from Tennessee [Mr. WALTERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], the Senator from Virginia [Mr. ROBERTSON], the Senator from Tennessee [Mr. WALTERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from West Virginia would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Florida would vote "nay."

On this vote, the Senator from Oklahoma [Mr. EDMONDSON] is paired with the Senator from Michigan [Mr. McNAMARA]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Michigan would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kansas [Mr. PEARSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Florida would vote "nay."

The result was announced—yeas 14, nays 55, as follows:

[No. 222 Leg.]

YEAS—14

Beall	Hartke	Simpson
Cotton	Hruska	Smith
Curtis	Lausche	Tower
Dodd	Mecham	Williams, Del.
Dominick	Mundt	

NAYS—55

Alken	Hart	Monroney
Allott	Hickenlooper	Morse
Anderson	Hill	Morton
Bartlett	Humphrey	Moss
Bayh	Inouye	Muskie
Boggs	Jackson	Nelson
Brewster	Javits	Neuberger
Burdick	Jordan, N.C.	Pell
Cannon	Jordan, Idaho	Prouty
Carlson	Keating	Proxmire
Case	Kennedy	Randolph
Church	Kuchel	Scott
Clark	Magnuson	Sparkman
Dirksen	Mansfield	Symington
Douglas	McClellan	Williams, N.J.
Ellender	McGovern	Young, N. Dak.
Fong	McIntyre	Young, Ohio
Fulbright	Metcalf	
Gore	Miller	

NOT VOTING—31

Bennett	Engle	Long, Mo.
Bible	Ervin	Long, La.
Byrd, Va.	Goldwater	McCarthy
Byrd, W. Va.	Gruening	McGee
Cooper	Hayden	McNamara
Eastland	Holland	Pastore
Edmondson	Johnston	Pearson

Ribicoff	Smathers	Walters
Robertson	Stennis	Yarborough
Russell	Talmadge	
Saltonstall	Thurmond	

So the Lausche-Hartke-Dominick amendment to the committee amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I offer my amendment identified as No. 306, and ask that it be made the pending question, for consideration on Tuesday. It is the so-called NATO amendment. I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 47, delete lines 15 to 21, inclusive, and insert the following:

"(1) No assistance shall be furnished under this Act to any economically developed nation, except to fulfill firm commitments made prior to July 1, 1963. The President is directed to make no further commitments for assistance to such economically developed nations and is directed to terminate such commitments made prior to July 1, 1963, at the earliest practicable time. The President is further directed to report, not later than July 1, 1965, to the Speaker of the House and to the Senate Foreign Relations Committee on the steps which he has taken to comply with this provision.

"As used in this subsection, the term 'economically developed nation' means any nation listed as an exception to the definition of 'economically less developed nation' contained in United Nations General Assembly Resolution 1875 (S. IV) and, in addition, the German Federal Republic and Switzerland."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, if the joint leadership can have the attention of the Senate, we remind Senators that the Senate is going over until 12 o'clock on Tuesday. The amendment of the Senator from Oregon is pending. It is anticipated that there will be votes shortly after 12 o'clock on that day. It is our hope that all Senators will be back on Tuesday, and that the absenteeism which has become chronic in this body, will in some fashion come to an end. I dislike bringing up these figures, but I think we ought to have them in the RECORD.

A week ago today, 23 Senators were absent. These figures are on the basis of votes.

Last Tuesday, 20 Senators were absent; on Wednesday, 11; on Thursday, 22; at 4 o'clock this afternoon, 26; at 4:45 this afternoon, 26; at 5:07, 27; at 6:41, 31 Senators were absent.

We have work to do. We have a long way to go before action on the bill will be completed. I hope all Senators will

be on hand where they are supposed to be—in this Chamber.

Mr. DIRKSEN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. (Mr. BREWSTER in the chair). The pending business before the Senate is amendment No. 306, offered by the senior Senator from Oregon [Mr. MORSE].

Mr. DIRKSEN. Mr. President, I move to table the amendment. The Senate does not have to vote on the motion tonight.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to table the amendment offered by the Senator from Oregon.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois withhold that motion?

Mr. DIRKSEN. I will withhold it temporarily, without losing my right to make the motion.

Mr. MANSFIELD. The Senator's right is maintained. I was about to suggest that the Senate take a recess until Tuesday; and that what the Senator wants to do, he can do next Tuesday.

Mr. DIRKSEN. I will withhold my motion, except that I will ask for recognition at that time to offer the motion to table.

Mr. MANSFIELD. There will be no further voting tonight. When the Senate stands—

Mr. DIRKSEN. Mr. President, what is the pending business? I will not lose my right.

Mr. MANSFIELD. No, the Senator would not lose his right to the floor. The only thing I wish to say is that there will be no further voting tonight. If Senators wanted to speak, there would be no action on the amendment.

Mr. DIRKSEN. Will I be recognized on Tuesday, the first thing, without discussion, to offer the motion to table?

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois. The pending business is the amendment by the Senator from Oregon. The Chair is not in a position to inform the Senator what will happen on Tuesday next.

Mr. DIRKSEN. Except that I will not lose my right to ask for recognition to offer the motion to table?

Mr. MANSFIELD. Any Senator can be recognized at any time for that purpose.

Mr. DIRKSEN. I will not withdraw my motion to table if I am going to lose my right to be recognized.

The PRESIDING OFFICER. Does the Senator make the motion?

Mr. DIRKSEN. I make the motion.

Mr. MANSFIELD. Will the Senator again withhold the motion?

Mr. DIRKSEN. I withhold it temporarily.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DIRKSEN. I yield the floor.

SECRETARY RUSK'S NEWS CONFERENCE

Mr. MORSE. Mr. President, earlier this afternoon, I placed in the Record

the first nine pages of the news conference held by the Secretary of State today. The Record will show that I said that those were the only pages that were then available. Assistant Secretary of State Dutton told me the other pages would be made available to me when they were typewritten.

In fairness to the Secretary of State, the entire transcript of his news conference should be placed in the Record. I ask unanimous consent that the rest of the pages of the news conference be printed in the Record, and that they be printed together with the first nine pages, so that there will be continuity in the Record. That is only fair, in view of the fact that I expressed disagreement with some of the observations of the Secretary of State, but expressed also my high praise for the ability of the Secretary of State.

There being no objection, the text of the entire news conference was ordered to be printed in the Record, as follows:

SECRETARY RUSK'S NEWS CONFERENCE OF NOVEMBER 8, 1963

Secretary RUSK. I know you have many matters on your minds this morning, so I won't take your time with opening statements. I am ready for your questions.

Question. Mr. Secretary, the secrecy around the wheat negotiations with the Russians is greater than usual. Your aids here in the Department, whose job has been to inform us, claim that they know nothing because they are not briefed. Now, this has been going on for weeks, and we believe we have a legitimate interest. Can you tell us how it stands?

Answer. Well, we are in a period in which the wheat problem is being discussed with the Soviet Union. There is a certain amount of bargaining going on. Obviously it is not in our interest to disclose the details of a bargaining situation. I wouldn't mind telling you gentlemen what the situation is if you would promise not to tell the Soviet Union the process of this bargaining.

But, as Mr. Khrushchev indicated yesterday, some progress has been made, but we don't know yet what the outcome will be. The President indicated in his last press conference that these matters ought to be left to the negotiators, and I would be content to leave it there for the time being. They are meeting this morning, and there may be other meetings, I don't know.

Question. Mr. Secretary, could you give us your appraisal of the situation now in Vietnam, since we have recognized it, and what do you see ahead in the future as to the impact on U.S. policy in southeast Asia?

Answer. Well, I think the great question which has been in front of us all along has been how to get on with the main job of assuring that South Vietnam is secure and able to work out its own future under its own leadership and without any interference from the outside.

Now, we were very much concerned when in 1959 the Vietcong, with public support from Hanoi, moved to interfere in South Vietnam, and indeed threatened to take it over, and there has been steady growth in assistance and help by the United States and others to South Vietnam in that struggle.

We were also concerned in May and June and July of this year when developments in South Vietnam indicated that there was a growing gap between the Government and the people of that country, and there was some danger that the solidarity of the country itself in meeting this threat would be undermined by differences within the country.

Now it is our hope that the political and the military leadership that has now formed a new government there in Vietnam will be able to rally the country, consolidate the effort, get on with the job, so that that country can be independent and free and secure.

As far as the United States is concerned, we do not have and have never had any special U.S. interest in terms of military bases or anything of that sort. Our primary concern with Vietnam is that it be secure and independent, as it is entitled to be, and we are hopeful now that there will be a consolidation of effort and that the central problem there will be dealt with with expedition, and we will do what we can to assist, and we have every reason to believe that the present leadership will do everything they can on their own side.

Question. Mr. Secretary, could you comment on the suggestion of the Communists this week that the administration might possibly find some benefit in attempting to develop a political settlement or a truce with the North Vietnamese? Is that conceivable?

Answer. I don't see quite what is involved there. So far as we can tell from what has been said in Hanoi, what they have in mind is that the regime at Hanoi would remain exactly as it is, the Communist regime, a member of the Communist bloc, and that they would then press for far-reaching changes, something that they call neutralization, in South Vietnam.

Well, we have run into that before, where they say, "On our side of the line nothing is to be changed, but on your side of the line something must be changed."

Now, let's look at this neutralization aspect for a moment. Up until about 1958 or 1959 there was no difficulty anywhere about the general attitude of South Vietnam. They weren't committing aggression against anybody. They weren't a military base for anybody. They weren't an ally in any formal sense with anyone. They were simply a country trying to be independent.

Now, the American military presence there at the present time was a direct consequence of the efforts of the Vietcong at Hanoi, the Communist world, to take over South Vietnam. If everyone else would leave South Vietnam alone, there is no problem. But to negotiate on far-reaching changes in South Vietnam without far-reaching changes in North Vietnam seems to be not in the cards.

The other side was fully committed—fully committed—in the original Geneva settlement of 1954 to the arrangements which provided for South Vietnam as an independent entity, and we see no reason to modify those in the direction of a larger influence of North Vietnam or Hanoi in South Vietnam.

Now, this is not—there is no problem about South Vietnam if others would leave it alone.

The same thing is true of Laos. Let these people work out their future in their own way without outside interference.

Question. Mr. Secretary?

Answer. Yes.

Question. May I ask a question on a different subject?

Answer. Yes.

Question. Could you give us your thoughts on the views in the Senate to restrict aid to Yugoslavia, Egypt, and Indonesia?

Answer. Well, I must say that I am very much concerned about the tendency in the Congress to legislate foreign policy as it might apply to specific situations or specific countries. The legislative cycle moves a year at a time. The world moves very fast. It is not possible for the Congress to anticipate in advance what the circumstances are going to be in any given situation, so I am very much concerned about the tendency to try to build into law attitudes in the use of

our aid program, for example, with regard to particular countries.

These are responsibilities carried by the President of the United States. They are very heavy responsibilities. The President is the one whom the country will hold responsible if things go wrong. So I am very much concerned about the loss of flexibility, the loss of any ability to move to protect and forward the interests of the United States wherever they might be engaged anywhere in the world. So I would hope very much that the Congress would withhold its hand and not try to legislate in detail about the application of an aid program to a particular country.

Question. Mr. Secretary, on the larger view of the foreign aid situation, the Congress is in the process of tearing it to shreds; and this is only the authorization. The news is going to be a lot worse when you get to appropriations; this is quite clear.

Now how do you respond to this? You are getting a message, at least they say on the Hill, which tells you, the administration, the Congress is full up with foreign aid, as it is now being operated.

What do you propose to do about it?

Answer. Well, we are in daily, sometimes hourly, contact with the Congress about this matter. I must say that I don't understand the tendency to cut back on our foreign aid program as deeply as is now being discussed in the Congress. The large and dangerous questions are still in front of us, whether it is Berlin, or Cuba, or Laos, or Vietnam, or whatever it may be.

There is no detente in the sense that there is a general easing of relations between the free world and the Communist world. There have been some limited and specific agreements, some of them have been important, such as the nuclear test ban treaty. There have been explorations of the possibilities of agreements on other subjects.

But this is no time to quit. There is too much unfinished business ahead of us. The United States has almost a million men outside of the continental limits of the United States, ashore and afloat. We must support those men. They are out to do a job for the free world. And I think they are entitled to have us support them by trying to get the job done without committing them to combat, if possible.

Now we spend gladly—we spend gladly—about \$50 billion a year in our Defense budget. I don't see why we can't spend 10 percent of that, if necessary, to get the job done without war, if possible. So I am very much concerned about the general attitude that somehow we can relax, we can cut back on our foreign aid, we can become indifferent to what is happening in other parts of the world. The world is not in that shape at the present time, and effort is still crucial to getting the great job done on behalf of freedom.

Question. Mr. Secretary?

Answer. Yes.

Question. Could you give us your assessment of how the latest Berlin difficulty has affected Moscow-Washington relations in the larger sense?

Answer. Well, I think that one would have to say that these three interruptions on the autobahn in the last several weeks have raised some very serious questions. I can't pretend to know what is in the minds of the people on the other side on this matter. But they surely do understand, and must understand, that access to West Berlin is utterly fundamental from the point of view of the Western Powers, and from the point of view of the United States.

Now, in detail, sometimes these incidents look rather futile, look rather artificial, as thought it were some sort of elaborate minuet about procedures of one sort or another. But that is not really the issue.

The point is not whether a particular tailgate is lowered. The point is freedom of access to West Berlin. Chief Justice John Marshall once said that "The power to tax is the power to destroy." Well, in a rough analogy, the power asserted by the other side to insist upon, on its own initiative—to insist upon particular procedures or regulations, could be converted into a power to interrupt access to West Berlin. That, we can't have, because our position in West Berlin is of vital interest to the United States and of the West, and we must insist upon free access to that city.

So these incidents are serious, and I think Mr. Khrushchev's remarks the other day indicated that he recognizes that they are serious. But we must insist, and we have insisted, that existing procedures be fully complied with.

Question. Mr. Secretary, your remarks on neutralization in Vietnam may be subject to misinterpretation. Just to sum it up here: You reject neutralization as a solution to the problem in Vietnam?

Answer. Well, I don't know—my point is I don't know what Hanoi talks about when they talk about neutralization. South Vietnam was not allied with anyone; it was not a military base for anyone. It was subjected to attack from the outside through penetration, infiltration, arms supplies, subversive activities, matters of that sort.

There can be peace in southeast Asia if others would leave South Vietnam and Laos alone, and let the peoples of those countries work out their own future.

My point is I don't know what they mean by neutralization, except that I suspect that it means that they are trying to find some formula by which they can bring South Vietnam within the Communist world.

Question. Mr. Secretary?

Answer. Yes.

Question. Since the military coup in South Vietnam, there has been a good deal of discussion about our general attitude toward the military coup. Could you tell us what we are telling our Latin American neighbors on this point today?

Answer. Well, I think it is difficult to make a general statement that would apply in theoretical exactitude to 112 different countries. I think that the developments in South Vietnam promise to move rapidly toward constitutional government, and a sense on the part of the people that they have a stake in their future.

Now it is true that in certain other areas when questions of recognition arise, we will give a good deal of attention to the attitude of the governments who are neighbors and who are very much involved in the same problem. In this hemisphere, for example, we have very far-reaching commitments to support constitutional and democratic governments, and there is a hemispheric commitment to this problem. And the possibilities that military coups in this hemisphere could become—could start—chain reactions of such events are matters of great concern to the governments of this hemisphere.

So we are in very close consultation in the hemisphere about how these questions should be handled here. Similarly, there have been one or two occasions in Africa where our own attitude had to take into account the attitudes of other African states who had an immediate and direct interest in that situation.

But I think it would be difficult to draw a broad conclusion that would be applicable in detail to all of the 111 or 112 countries with whom we do business.

Question. Mr. Secretary?

Answer. Yes.

Question. You have expressed serious concern about the interruptions on the autobahn. And it has been indicated, both from Moscow and from here, that the

chances are that there are likely to be more such incidents in the future. Is there any alternative, in your judgment, to simply waiting until these incidents occur; or is there some initiative that might be taken from the Western side to actually, as the last protest note said, put an end once and for all to these harassments?

Answer. Well, the West has made over the years a series of suggestions about far-reaching and fundamental solutions of the German Berlin question. We have had discussions, in the last 2½ years since I have been in my present office, about Berlin.

It would be possible to work out better arrangements if the other side would, in a spirit of genuine reciprocity, recognize the vital interests of the West in these matters. But those discussions have not been particularly fruitful thus far because there has not been adequate recognition of the Western vital interests in the situation.

Whether the situation will change, we cannot say. But the West has repeatedly made proposals, far-reaching proposals, for a permanent settlement of the German and Berlin questions on the basis of the needs and the wishes of the German people themselves. There is no objective reason, there is no reason in logic why these questions cannot be settled in a way that meets the vital interests of both sides. But thus far it has not been possible to do so.

Question. Mr. Secretary, in Latin America, sir, will the United States back the Venezuelan and Costa Rican proposal before the OAS Foreign Ministers meeting in order to discuss the defense of democracy in the face of a coup?

Answer. I have already indicated that as far as I am concerned, I would be glad to meet with the Inter-American Foreign Ministers if this is the consensus of the Foreign Ministers themselves, to talk about further steps we can take in the hemisphere to strengthen the constitutional processes in the hemisphere.

But this is a matter of consultation in the OAS and elsewhere, so that I don't think that I have heard yet whether that consensus has been reached. But as far as we are concerned, we are prepared to engage in such conversations, and I think it would be quite important.

Question. Mr. Secretary, in connection with Mr. Harriman's trip yesterday to South America, could you discuss two phases? One, his meeting today or tomorrow with President Illia of Argentina, and if you hope, if you think that something can develop to conciliate the oil problem, the problem of the oil contract; and, two, what your hopes are in connection with the Inter-American Economic and Social Council Ministerial meeting in São Paulo?

Answer. Well, Governor Harriman will be making calls in Buenos Aires and I believe also in Brazil, in addition to his visit with the Inter-American ECOSOC. The principal purpose of his journey is, of course, the ECOSOC meeting, where there will be an opportunity to review broadly the progress of the Alliance for Progress and measures which might be taken to strengthen it.

I think that it might be said that we ought to anticipate that the Alliance for Progress program will encounter many difficulties and, indeed, will be associated with tension in one country or another. Quite apart from anything that the United States might do in this respect, Latin America is in the process of revolutionary changes, far-reaching changes, in their economic and social structures.

Now, these changes would be going on in any event. We have felt for some time that it was important for the United States to assist those countries in taking hold of those necessary changes and moving them along through democratic process, and through constitutional processes, in ways that make sense.

Now, it isn't easy to bring about important changes through democratic methods. And the result is going to be that there will be tensions inside of a number of countries as these changes occur, and undoubtedly there will be some tensions between some of these countries and the United States because they will feel that we need to do more than we can do and that perhaps we are too exigent in asking that changes occur on their side before we come in with substantial amounts of aid.

So there is a certain amount of tension built into these changes. But we have been encouraged by the steady progress that has been made in country after country. We think they are headed in the right direction. We think that those changes can occur by peaceful means rather than by revolutionary means, and that the United States ought to play a very important part in assisting them in finding the external resources which those changes will require.

Question. Mr. Secretary, in South Vietnam, do you think that the new regime can prosecute the war more effectively than Diem did? If so, why?

Answer. I think, actually, the principal problem that developed with respect to the previous regime was the alienation of apparently very large sections of the population. We believe that the present regime has moved promptly to consolidate public effort, that they will be able to resolve some of the internal difficulties that grew up, and that there will be a possibility that the people of that country will move in greater unity on behalf of the total effort.

We are encouraged about the possibilities. But there is a good deal of unfinished business and some real problems ahead. But the reception, the support of the people themselves will be vital in this type of guerrilla warfare. The attitude of the peoples becomes absolutely crucial. As I think it was Mao Tse-tung said "If guerrillas are operating within a friendly population, every bush is an ally." Well, in the last period we feel that as far as the villages are concerned and the countryside is concerned, they become more and more the allies of the effort to eradicate the Vietcong aggression. And we believe this will get an impetus from recent events and they can go ahead now with more confidence.

Question. Mr. Secretary, you have twice referred to Hanoi's idea of neutralization in Vietnam. What is your understanding of the French point of view and their mention of a truce?

Answer. I think that was perhaps a comment from a very long-range point of view. It had very little to do with what happens tomorrow or the next day, perhaps commenting on the basis of what was anticipated at the time of the 1954 Geneva Accords. But we see no—we see no development specifically along that line from Paris, or any ideas about any particular moves that ought to be taken at this time.

Question. Mr. Secretary, going back to Berlin, some of the Russians here have been telling us that we were using salami tactics against them, and specifically in connection with the note that we sent them which they say has changed the procedures in Berlin. Do you think there is any justification for that charge?

Answer. No. I don't understand that assertion. We have been following the practices that we have been following for years on the autobahn. We have not changed those practices in either direction. Our convoy conducted itself in exact accordance with established procedures and moved ahead on the basis of established procedures. I don't know any element of change, as far as we are concerned, in our own practices. And, of course, we can't accept changes called for by the other side. There has been

no discussion of that and no change in practice.

Question. Mr. Secretary, could you please give us the benefit of your insight as to why the Russians at this time chose to make an issue over Western access rights to Berlin?

Answer. No, quite frankly, I can't. I would mislead you if I thought that I understood just what's in their minds on these three incidents because it seems to cut across and interrupt a good many other things that they have been saying and efforts that have been made in small as well as some of the larger problems to find new points of agreement after the test ban treaty.

But when you try to cross the gap of language and philosophy and understanding that exists between East and West on these matters, it's very hard to know what's in the mind of the other side. I would just have to say I don't understand it.

Question. Mr. Secretary?

Answer. Yes.

Question. Sir, would you tell us, please, what are your views about any officials of your Department who would go before a congressional committee and deliberately say, under oath, what is untrue and what they know to be untrue?

Answer. Well, I think the answer to that is self-explanatory, that our policy is that when people testify before congressional committees they should tell the truth. [Laughter.]

Question. Mr. Secretary, I'd like to ask a couple of questions about the wheat deal, which I don't believe will compromise your bargaining position. First, why wasn't the shipping arrangement with American ships worked out prior to the President's granting an export license, determination to grant an export license on October 9? Second, how do you respond to the critics of the deal who say that by selling wheat to the Russians at this time we are letting them off the hook at a time when they are economically pressed? And, third, do you see any expansion of United States-Communist trade in the future?

Answer. Well, in the first place, the question of substantial Soviet purchases of wheat came with very little advance notice from the other side. And it did require looking into a good many elements that needed review, if such transactions were to go forward.

But I would suppose that the reason for the wheat arrangement is that it would be in our interest to make it. This is not a gesture of philanthropy. If there is a basis for an exchange of wheat for convertible currency or gold that would be in our interest to make, that is one thing. This is not something that is done for any other purpose than our own self-interest. But these are matters which have to be discussed in detail.

There was no preliminary discussion with the Soviets before the question came up. These were matters that were taken up first by them with some of the private traders, and the private traders then needed to know whether in fact licenses could be issued, and what the circumstances might be. But I think I would not add anything to what I have just said on that.

Question. Mr. Secretary—

Answer. Yes.

Question. Senator Donn, on the floor of the Senate, has said that he has proof that Mr. Otepka's phone was tapped in the Department here. What is your policy on wire-tapping?

Answer. Well, this question has come up in a case which is now pending in the Department of State. Since I myself will play a personal role in this case at a later stage, if there are hearings, and if the procedures go through their normal track, it will be for me, the Secretary of State, to review this in all its aspects at a later stage. I think it would be peculiarly inappropriate for me to comment at this stage.

Question. Then aren't you participating at all in the transmittal of letters of dismissal for Mr. Otepka? Did somebody else make the—

Answer. The procedures on that are established under long-standing regulations, and the letters have gone from other offices of the Department. Under existing practice, if Mr. Otepka uses the machinery that is available to him, then in due course it would come to me for complete review. And therefore I think it's important for me to reserve my own position on the matter until I have it before me officially.

Question. Mr. Secretary, many Congressmen, and also, I believe, the report of the Senate Foreign Relations Committee has called for a drastic revision of the foreign aid program in the future.

The fiscal 1965 program is now being put together in the Department. Are new concepts and fresh organizational structures being built into this program, and if so, in response to these demands—and if so, could you tell us something about them?

Answer. I think the suggestions of the Senate Foreign Relations Committee are being given the most serious and fullest consideration. We are studying those at the present time. And our proposals for next year will take those very much into account. Exactly in what way remains to be seen.

But I think the underlying point is that the foreign aid effort is a postwar effort which requires us to keep our backs in it year after year, if we are to get this job done.

I think we should not suppose that changes in detail or changes in administrative arrangements will necessarily prove the key that unlocks the necessary effort.

I think we have got to have a general national understanding that it is in our vital interest to go ahead with a substantial aid program for the next years ahead, and to be ready to do that in the most effective way possible. And I think it's this broader need for the foreign aid program that we need fully to understand.

Question. Mr. Secretary, I think it's useful just every few months to take a pulse on the Allied nuclear navy. Over the past year, we have ranged from tolerance; that is, if the Europeans want it, we will listen to their ideas, to various forms of enthusiasm. In the light of the Italian difficulties at the moment, the British prelection period, the German changeover, how do you gauge the odds, our enthusiasm, and the future of this whole project?

Answer. Well, now that we know that a number of our Allies are very much interested in it, we are prepared to go ahead with it, we'd like to go ahead with it. At exactly what pace depends upon the circumstances of the other governments more than upon us.

But we think this is a good idea, both from a military and from a political point of view, and we'd like to proceed with it. And those discussions will go forward.

Question. Mr. Secretary?

Answer. Yes.

Question. Is the United States making any progress with its Allies in working out uniform credit policies toward the Soviet?

Answer. No, that is a matter which will be discussed. These are matters that are regularly discussed in NATO, and the OECD.

Credit policies have been a matter of general coordination, not only as far as the Soviet bloc is concerned, but also with regard to the free world. And I would suppose these matters would be discussed further. But I have nothing specific on that to say this morning.

Question. Mr. Secretary, it was reported that Soviet arms have been reaching Algeria from Cuba, and from Egypt. Do you think that the Soviets are engaged here in a new gambit, or do you think it's an initiative of

the Cuban and Egyptian Governments in supplying these weapons to Algeria?

Answer. The recent Algerian-Moroccan affair has underlined to us the importance of other countries, other powers, staying out of it. These two great Arab people, two maghrebian people, ought to be able to resolve their problems between themselves, and within an African framework.

Now, any intrusion from the outside simply makes that more difficult, and raises the possibility that still others might then come in and create a type of confrontation there which would be in the adverse interest of both peoples concerned.

I don't, myself, necessarily connect the Cuban ship with the particular incident that arose at the borders, because the timing of the departure of these supplies from Cuba apparently was such that it preceded the actual outburst of the fighting. It might have been related to other problems there of some other sort.

But I think it is very important that others keep out of that situation, so that these two countries can settle this affair between themselves, and within the framework of the OAU arrangements that are now in progress. As you know the Council of Foreign Ministers of the OAU will be meeting on this matter. The Emperor of Ethiopia and the President of Mali have played a very constructive role in it, and we hope very much that these two neighbors can get together and work out this situation.

Question. Mr. Secretary, would you please assess the internal situation in Cuba, and particularly the presence or removal of the Russian troops there?

Answer. I think there is nothing much to add to what the President said on that at his last press conference. There have been substantial withdrawals of Soviet military personnel in Cuba. I would not get into a numbers game again about the precise numbers, but we do know that there have been significant withdrawals.

We also know that the situation inside of Cuba is very tight, from the economic point of view, they are having considerable difficulties.

One of the things that worries us most about Cuba, about which we are concerned, is the continued effort of Mr. Castro to interfere in the affairs of other countries in this hemisphere, and the other countries and we are working very closely to meet this and to deal with it as it arises.

I am thinking, for example, of such things as that raid on the British Island to recapture some refugees, whose only offense was they tried to escape the prison Mr. Castro has made out of Cuba.

I am thinking of the training of young men from other Latin American countries in terrorist and guerrilla tactics, with the idea that they would go back and engage in terrorist activities in their own countries.

I am thinking of such things as financial subsidies to terrorists in other countries. These are things that are disturbing the peace of the Caribbean, and the Inter-American system, and that is one of the focal points of our attitude toward Cuba. It just will not be permitted to happen, and we are taking many different measures to interrupt this kind of interference.

Question. Mr. Secretary, thank you.

Answer. Thank you.

FOREIGN AID—MOTION TO TABLE

Mr. MORSE. Mr. President, I wish to say a few words about the motion made by the Senator from Illinois [Mr. DIRKSEN], if I may have the attention of the Senator from Illinois. There is no question that the Senator from Illinois is within his parliamentary rights to move to lay the pending amendment

or any other amendment on the table. It will be up to the proponents of the bill to decide whether they wish to support such a motion.

I think that will be the best way to assure further amendments being adopted during this debate, because this tactic really is one way to try to accomplish cloture in the Senate. A series of amendments to the bill are ready to be offered. We think they are needed amendments. We shall ask the Senate to work its will, and it will be for the Senate to decide in what form it wishes to work its will.

Mr. DIRKSEN. Mr. President, only a day or two ago, I was excoriated by the distinguished Senator from the Nutmeg State of Connecticut [Mr. DONN] for lack of leadership and failure to be a ball of fire as the leader of the opposition. I was excoriated for failure to help expedite the business of the Senate.

I mean to expedite the business of the Senate. I intend not only to offer a motion to table the amendment of the Senator from Oregon, but to offer similar motions with respect to other amendments, to get the bill off the Senate floor. Senators should be on notice as to what I propose to do. If I am to be a vehicle or instrumentality of expedition, I will certainly discharge that role as nobody else could do it. So let every Senator be on notice as to what is going to happen when the Senate reconvenes after Veterans' Day, next week.

Mr. MANSFIELD. Mr. President, I move—

Mr. MORSE. Mr. President, will the Senator withhold his motion briefly?

Mr. MANSFIELD. I withhold my motion.

Mr. MORSE. It is the right of the Senator from Illinois to make his motion. We are now beginning to draw a different line of division in the Senate. If this is to be a tactic that will be used to defeat the right of the minority—if we are a minority—to make a record in behalf of a point of view in the Senate, we are in for quite a contest between now and January 1. It will be most interesting to see what the legislative record of this body will be by January 1.

Mr. DIRKSEN. I accept the challenge. I did not know there was a second minority in this body. But if there is, I gladly concede the point. But I serve notice now as to what is going to happen when the Senate reconvenes.

ALLEVIATION OF SHORTAGE OF RAILWAY FREIGHT CARS

Mr. HRUSKA. Mr. President, this morning the Interstate Commerce Commission issued another car service order designed to alleviate the acute shortage of railway freight cars.

In the Midwest, and more particularly in Nebraska, the need for boxcars to move grain continues to be most serious. Shortages have increased during recent weeks. The average daily boxcar shortage in Nebraska was as follows:

Week ending October 12, 2,604.

Week ending October 19, 3,130.

Week ending October 26, 3,904.

Information coming to me indicates shortage of cars affects all carriers in all areas. The average daily shortage of boxcars for the past 3 weeks of October was as follows:

Week ending October 12, 12,158 cars.

Week ending October 19, 14,104 cars.

Week ending October 26, 17,114 cars.

Because grain men and farmers in my State do not have available sufficient cars to move grain, ground storage has been resorted to. As a temporary expedient, it has been used before but it is not the way we should store our harvests. It is uneconomic; it is costly; it requires additional handling and it results in losses to all who must handle the product. In addition to that loss there is ever present the threat that bad weather holds for this type of storage. Contamination and deterioration takes dollars from our producers and businessmen.

At the present time there are two car service orders on boxcars outstanding, which will be canceled as soon as service order 947 becomes effective. A third order was canceled earlier this year after a crisis passed in the Midwestern States. Such action on the part of the Interstate Commerce Commission shows how closely they follow car service needs.

The Chairman, his fellow Commissioners, and their staff are to be highly commended for their attitude and for the manner in which they have shown outstanding leadership in trying to bring about an equitable distribution of cars and to handle these problems promptly.

The Chairman of the Interstate Commerce Commission, Hon. Laurence K. Walrath, has been struggling with this problem for a long time. His fellow Commissioners have been aware of the need for a more adequate fleet of boxcars. In past years they have submitted legislation time and again to the Congress.

Under the terms of S. 1063, an incentive would be provided for railroads to increase their ownership of cars. This bill has the support of the Interstate Commerce Commission. To me, and to many others this is the realistic approach to a solution of a constantly recurring problem which has become more acute over the years.

It is time to take constructive steps to find the long-term answer to these constant shortages. The real answer is enactment of legislation which would authorize the Interstate Commerce Commission, in fixing the compensation to be paid for the use of freight cars to give consideration to the level of car ownership and additional factors which affect the adequacy of the national car supply.

The per diem charge today is \$2.88 for a boxcar. This rate provides no incentive for a railroad to own cars. Roads operating in my area provide more than their share of cars for the national fleet. Some railroads have been notoriously deficient in providing enough cars for the traffic which their railroad generates. So, of course, they rely on the generosity of other lines. Why should they invest their money when it is cheaper to pay \$2.88 per day in per diem charges? There is no incentive because the Com-

mission has not been able to consider a fair return on investment—a profit—in setting per diem rates.

Presently the car fleet is losing 2,000 cars per month. Total ownership is way below World War II figures. In addition to this loss of cars, there is a substantial loss through failure to promptly repair cars. The number of bad order cars remains high and one wonders if some railroads are even trying to do their fair share of maintaining cars in their ownership.

The railroads of this country are not meeting the needs of our business and industrial shippers. Products of industry and of the farmer must either move to storage or to consumer markets. When there is an unwillingness to provide adequate facilities to do the job—shippers will, of necessity place orders for transportation with other modes.

S. 1063 is needed legislation which is in the national interest. Our Committee on Commerce under the able leadership of Senator WARREN MAGNUSON has already held comprehensive hearings on the bill. I hope that the committee will take action on the bill at an early date and that the legislation will be favorably reported to the Senate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement made by Chairman Walrath on November 7; ICC Service Order No. 947; and a statement, under date of November 8, explaining provisions of that order.

There being no objection, the statements and service order were ordered to be printed in the RECORD, as follows:

ICC CHAIRMAN URGES GREATER COOPERATION BY RAILROADS, SHIPPERS, AND CONSIGNEES TO ALLEVIATE FREIGHT CAR SHORTAGE

Chairman Laurence K. Walrath of the Interstate Commerce Commission today called for a "fully coordinated effort" by railroads, shippers, and consignees to achieve maximum possible utilization of the Nation's rapidly dwindling supply of railroad freight cars to transport record shipments of soybeans, sorghum, corn, and other agricultural crops.

"With total ownership of freight cars by American railroads at the lowest point in this century, the Nation is experiencing the most serious freight car shortage in years," Chairman Walrath said. "At the turn of the century the railroads owned nearly 2 million freight cars. Today, the total ownership is approximately 1,527,000 cars—with nearly 8 percent in unserviceable condition."

Chairman Walrath noted that, "Despite the considerably greater carrying capacity of today's freight cars, the continuing decline in the number of serviceable cars since the end of World War II has resulted in a freight car fleet totally inadequate to meet even normal requirements, let alone the unprecedented heavy demands of the past 6 months."

"While some railroads are investing in specialized cars to meet the needs of particular shippers, the overall supply of plain boxcars is diminishing at the alarming rate of more than 2,000 cars per month. Many railroads are investing sizable sums in new boxcars and other general service cars, but the overall investment by the railroad industry falls far short of present requirements and estimated future needs."

The Chairman observed that, at present, nearly 13 million bushels of grain awaiting shipment is piled high outside at least 325 elevators now filled to capacity. In some cases, only a prolonged drought has prevented weather damage to this valuable crop.

To handle the accumulation, railroads have pressed into service many types of substitute equipment. Hopper cars are being used to load grain. Refrigerators cars are being loaded with cotton bales. Even boxcars without doors, awaiting repairs, are being assigned for cotton loading and other uses.

"The soybean, sorghum, and corn harvest is practically completed, but millions of bushels of these crops are in elevators and still await shipment to ports and terminals," the Chairman pointed out. "Furthermore, rice, cotton, tobacco, and lumber interests already are requesting more cars than many carriers have available. Recent information received from the U.S. Department of Agriculture indicates that the Commodity Credit Corporation expects to transport between 900 million and 1 billion bushels of grain during the next months. This does not include possible traffic demands stemming from negotiations for the sale of wheat to Russia."

"To alleviate the presently aggravated shortage of boxcars, the Commission issued Service Orders 939 and 945, restricting the loading of certain types and ownerships of boxcars. Both orders are intended to insure prompt return of boxcars to owning lines in areas where a critical need exists."

"Our car service agents have been working closely with the railroads to help locate and speed the return of available boxcars to their owners. Most carriers have cooperated in this effort, but violations of these orders still are prevalent. To date 14 railroads have been prosecuted for failure to comply with the provisions of Order No. 939. Additional complaints are being investigated. As immediate measures, the Commission has periodically directed the Association of American Railroads to issue embargo orders to relieve congestion of unloaded cars arriving at certain terminal and port areas."

"However, the Commission's enforcement powers are inadequate to assure the fully-coordinated effort necessary to cope with this monumental shipping crisis. The shortage can be alleviated to a significant degree by shippers loading cars as rapidly as possible and ordering no more cars than they presently need. Also, the full cooperation of consignees is vital in expeditious handling of cars arriving in greater numbers than usual. Carrier cooperation is imperative in delivering cars promptly to shippers, and loading cars in a conscientious manner for direct return to owning lines."

"Only all-around cooperation can provide the degree of car utilization necessary to best serve the interests of all involved in getting the Nation's crops to market—while they still are marketable. As I have made quite plain in testimony before congressional committees, entry of service orders by the Commission cannot fully meet the situation when there is an overall inadequacy of cars to meet the needs of critical areas."

SERVICE ORDER NO. 947—RAILROAD OPERATING REGULATIONS FOR FREIGHT CAR MOVEMENT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D.C., on the 7th day of November, A.D. 1963.

It appearing, that an acute shortage of freight cars exists in all sections of the country; that cars loaded and empty are unduly delayed in terminals and in placement at, or removal from industries; that present rules, regulations, and practices with respect to the use, supply, control, movement, distribution, exchange, interchange, and return of freight cars are insufficient to promote the most efficient utilization of cars; it is the opinion of the Commission that an emergency exists requiring immediate action to promote car service in the interest of the public and the commerce of the people. Accordingly, the Commission finds that notice and public procedure are impracticable and contrary to the public interest, and that

good cause exists for making this order effective upon less than 30 days' notice.

It is ordered, That:

SECTION 95.947 RAILROAD OPERATING REGULATIONS FOR FREIGHT CAR MOVEMENT

(a) Each common carrier by railroad subject to the Interstate Commerce Act shall observe, enforce, and obey the following rules, regulations, and practices with respect to its car service:

(1) Placing of cars

(a) Loaded cars, which after placement will be governed by demurrage rules applicable to detention of cars awaiting unloading, shall be actually or constructively placed within 24 hours after the first 7 a.m., exclusive of Saturdays, Sundays, and holidays, following arrival at destination.

(b) Actual placement means placing of car on consignee's tracks, or when for public delivery, placement on carrier's tracks accompanied by proper notice.

(c) When delivery of a car, either empty or loaded, consigned or ordered to an industrial interchange track or to other-than-a-public-delivery track cannot be made on account of any condition attributable to the consignee, such car will be held at destination or, if it cannot reasonably be accommodated there, at an available hold point and constructive placement notice shall be sent or given the consignee in writing within 24 hours, exclusive of Saturdays, Sundays, and holidays, after arrival of car at hold point.

(d) Loaded cars held at billed destination for accessorial terminal services described in the applicable tariffs, such as holding for orders or inspection, shall be placed on carrier's or consignee's unloading or inspection tracks, within 24 hours, exclusive of Saturdays, Sundays, and holidays, after arrival at billed destination. On cars set off and held short of billed destination, a written notice shall be sent or given to consignee within 24 hours following the first 7 a.m. after arrival at hold point.

(2) Removal of cars

(a) Empty cars must be removed from point of unloading or interchange tracks of industrial plants within 24 hours after the first 7 a.m., exclusive of Saturdays, Sundays, and holidays, following unloading or release by consignee or shipper, unless such cars unloaded are ordered or appropriated by the shipper for reloading within such a 24-hour period. Empty cars not required for loading at point where made empty must be forwarded in line-haul service within 24 hours after the first 7 a.m., exclusive of Saturdays, Sundays, and holidays, following removal of empty car.

(b) Outbound loaded freight cars must be removed from point of loading or interchange tracks of industrial plants within 24 hours after the first 7 a.m., exclusive of Saturdays, Sundays, and holidays, following tender and acceptance by carrier of the bill of lading covering the cars. Such cars must be forwarded in line-haul service within 24 hours after the first 7 a.m. following their receipt in outbound makeup or classification yards.

(3) Holding cars for prospective loading

(a) No more cars shall be held for prospective loading at any time, for any industry, or consignor, than those needed to protect current outbound loading.

(4) Repair tracks

(a) Any cars taken out of service for repairs, or carded for repairs, shall be repaired at the earliest time consistent with efficient railroad operating practices.

(5) Car distribution orders

(a) Observe, obey and comply with freight car distribution orders now outstanding, or hereafter issued by the Car Service Division, Association of American Railroads, not inconsistent with any order of the Commission.

E. Paul Miller, chairman of the car service division, is directed to inform the Director of the Bureau of Safety and Service of such outstanding orders or similar orders which may be subsequently issued and, to advise the Director of the Bureau of Safety and Service of railroad performance and compliance with such orders.

(b) C. W. Taylor, director, Bureau of Safety and Service of the Interstate Commerce Commission, is hereby appointed agent of the Commission with authority to issue such orders or directives as he may find necessary with respect to the location, relocation, and distribution of freight cars as between sections of the country, or carriers by railroads or on such carriers, throughout the United States.

(6) *Yard checks, supervision, and records*

(a) The necessary yard and track checks shall be made and sufficient supervision and records shall be maintained to enable carriers to comply with the provisions of this order.

(7) *Railroad operating regulations for the movement of loaded freight cars*

(a) No common carrier by railroad subject to the Interstate Commerce Act shall willfully delay the movement of loaded freight cars by holding such cars in yards, terminals, or sidings for the purpose of increasing the time in transit of such loaded cars.

(b) Loaded cars shall not be set out between terminals except in cases of emergencies or sound operating requirements.

(c) Backhauling loaded cars for the purpose of increasing the time in transit shall constitute willful delay and is prohibited.

(d) Through loaded cars shall not be handled on local or way freight trains for the purpose of increasing the time in transit of such loaded cars.

(e) The use by any common carrier by railroad, for the movement of loaded freight cars over its line, of any route other than its usual and customary fast freight route from point of receipt of the car from consignor or connecting line, except in emergencies, or for the purpose of according a lawfully established transit privilege (not including a diversion or reconsignment privilege) is hereby prohibited.

(8) *Carrier officials' responsibility*

(a) The division superintendent in charge of each terminal under his jurisdiction or supervision, or if no division superintendent is in charge the general manager of each railroad will be held responsible for car service at each terminal and for the proper observance of the rules prescribed by this order.

(b) *Application.*

(1) The provisions of this order shall apply to intrastate and interstate commerce.

(2) When computing the periods of time provided in this order, exclude Saturdays, Sundays, and such holidays as are listed in item No. 25, Agent H. R. Hinsch's Demurrage Tariff ICC H-11, or reissues thereof, only when they occur within the said periods of time, but not after.

(c) *Regulations suspended—announcement required.*

The operation of all rules and regulations, insofar as they conflict with the provisions of this order, is hereby suspended and each railroad subject to this order, or its agent, shall publish, file, and post a supplement to each of its tariffs affected hereby, in substantial accordance with the provisions of rule 9(k) of the Commission's Tariff Circular No. 20, announcing such suspension.

(d) *Effective date.* This order shall become effective at 12:01 a.m., November 11, 1963.

(e) *Expiration date.* This order shall expire at 11:59 p.m., July 31, 1964, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That a copy of this order and direction shall be served upon the

Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

(Secs. 1, 12, 15, 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15. Interprets or applies secs. 1(10-17), 15(4), 40 Stat. 101, as amended 54 Stat. 911; 49 U.S.C. 1(10-17), 15(4)).

By the Commission, Division 3.

HAROLD D. McCox,

Secretary.

PROVISIONS ESTABLISHED FOR OBTAINING IMPROVED UTILIZATION OF RAILROAD FREIGHT CARS DURING ACUTE SHORTAGE NOW PREVAILING

In the face of a mounting nationwide shortage of railroad cars to meet urgent needs of shippers, a broad-ranging order issued today will require carriers to institute a series of new measures to reduce the idle and unproductive time of cars, beginning November 11, 1963, at 12:01 a.m.

Service Order No. 947 of the Interstate Commerce Commission's Division 3 notes that an emergency exists which requires immediate action to promote car service in the interest of the public and the commerce of the people. The order states that the acute shortage extends to all sections of the country and empty and loaded cars are unduly delayed in terminals and in placement at and removal from industries.

The order limits to 24 hours the amount of time railroads will have to place inbound loaded cars, to remove cars after release from industry, and to forward cars after acceptance by carriers. Holding cars excessively for prospective loading will be prohibited.

As the new provisions for improved utilization of the shrinking supply of cars go into effect, three earlier issued service orders—Nos. 939, 944, and 945—will be canceled. These orders restricted the loading of cars of various types and ownerships and provided for prompt return of boxcars and coal cars to owning lines in areas of critical need. The additional measures incorporated in Service Order No. 947 are designed to promote car service efficiency and obtain the maximum usage practicable from the available car supply for the benefit of carriers, shippers, and the public.

Under Service Order No. 947, carriers will be required to:

Place, or constructively place, inbound loaded cars within 24 hours following arrival at destination;

Remove outbound loaded and empty cars within 24 hours after release from industry;

Forward outbound loaded cars within 24 hours after tender to the carrier;

Forward empty cars, not required for immediate loading, within 24 hours after they are made available to the carrier.

The order, extending to all carriers' freight cars in all areas, is scheduled to expire July 31, 1964.

FIRST ANNIVERSARY OF DEATH OF MRS. (FRANKLIN D.) ELEANOR ROOSEVELT

Mr. McGOVERN. Mr. President, today marks the first anniversary of the death of Mrs. Franklin D. Roosevelt. The entire world mourned the passing of this great lady, but the memory of her life is still with us.

I ask unanimous consent to have printed at this point in the RECORD an

excellent article entitled "Remembrance" written by James A. Wechsler, and published in the New York Post of Thursday, November 7, 1963.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post, Nov. 7, 1963]

REMEMBRANCE

(By James A. Wechsler)

Time and again during the last 12 months, in talking to people who were in trouble, discussing efforts to rescue some seemingly lost cause, seeking ways to evoke interest in some project of human salvation deemed impractical by bureaucratic minds, one has heard the same phrase:

"If only Mrs. Roosevelt were still alive."

Amid all the eulogies and reminiscences spoken and published since her death, this refrain seems to me the most memorable, and the highest tribute to this unique, unforgettable woman. They not only describe the remarkable role she played as an angel of compassion. They demolish the myth that a "do-gooder" is by definition someone of noble intention who rarely succeeds in doing any good.

There are many other aspects of her place in history. But the one I value most is this sense, so poignantly underlined since her death, that she was a woman of infinite mercy and mission for whom the largest satisfaction in life derived from successfully comforting the afflicted. The quality has been described as "saintliness" but she would have been dismayed by the description. She did not view the service she rendered as a form of martyrdom. It was the only meaningful manner of existence.

It is also the essence of her immortality. We mourn and cherish many departed figures. But of whom do so many people say so often, in so many diverse situations, that things would be different if that person were still alive?

That is why the true measure of her life became clearest after she died, and perhaps why even some of her detractors acquired a belated esteem for her, as if dimly aware that this had been a special presence.

That day, exactly 1 year ago, was the day when Richard Nixon, crushed by his defeat in California's gubernatorial race, cried out wildly against his alleged tormenters and proclaimed the end of his political life; when Krishna Menon resigned from India's Cabinet; when Billie Sol Estes was found guilty of swindling. Then, as I was about to leave the office, came the bulletin that Eleanor Roosevelt had died at 6:15 p.m.

A woman who heard a news broadcast called the Times soon afterward and sobbed: "She couldn't have died at 6:15. We were eating dinner then and we were happy." Cabdriver Richard Ebbitt recalled that he had taken a photograph of Mrs. Roosevelt when she was a passenger several years earlier:

"I sent her the picture and she signed it. She also sent a warm letter. She always had time for people."

In my own lifetime only one other death touched so many people so intimately in so many parts of the universe—the passing of Eleanor Roosevelt's husband 17 years earlier.

They were people of very different temperament and style, and their life together was neither simple nor serene. But together they communicated, to that huge, crowded sector of humanity for whom existence is mostly struggle and stress, the awareness that two people in very high places cared.

It remains hard to believe that she is gone—that she will not turn up unexpectedly and unostentatiously at some conclave of harassed southern Negroes, in some rat-infested Harlem slum, in some home for

bruised delinquents, at a meeting to raise funds for some neglected group of migratory workers. It remains as hard to believe today as it was when the news came a year ago, even though I had known for many days that she was dying. Indeed, 1 week before her death, I had written some words about her in the wistful hope that she might be able to read them before the final moment; I had waited too long.

Her name is enshrined in the works of the Eleanor Roosevelt Memorial Foundation, which has fittingly resolved to dedicate much of its resources to the equal rights struggle; there will be many other enterprises inspired by her name. She resented ritualistic tribute and most forms of "looking backward." But she was intensely practical, too, and she would be saying, if she were present at some of these assemblages in her honor: "Of course, if you feel my name will really help, go ahead and use it."

She was, I think, often a lonely, sad woman for whom the implausibly feverish pace of her existence provided a certain escape from introspection. Perhaps only one who had glimpsed the complexity of life could have had so much comprehension, so deep a contempt for the complacent, so generous a view of human frailty.

One concludes the remembrance and realizes that too many things are still unsaid and even undefined. One goes back to the beginning; one thinks of groups of quarreling liberals engaged in personal vendettas, of small-minded men scrambling for private advantage at the expense of the weak, of decent citizens vainly seeking aid for unconventional or unpopular victims, and the words recur: "If only Mrs. Roosevelt were still alive."

RECESS TO TUESDAY AT NOON

Mr. FULBRIGHT. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in recess until Tuesday next, at noon.

The motion was agreed to; and (at 7 o'clock p.m.) the Senate took a recess, under the order previously entered, until Tuesday, November 12, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 8 (legislative day of October 22), 1963:

DEPARTMENT OF THE AIR FORCE

Robert H. Charles, of Missouri, to be an Assistant Secretary of the Air Force, vice Joseph Scott Imirie.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Dr. Herbert Scoville, Jr., of Connecticut, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, vice Dr. Franklin A. Long.

IN THE NAVY

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line, subject to qualification therefor as provided by law:

Adams, Billy J.	Ammann, Robert E.
Aden, Melvin O.	Ammerman, Clell N.
Agnew, Dwight M., Jr.	Amoruso, Alfred P.
Agnew, William F.	Anderson, Charles P.
Alles, John W., IV	Anderson, Eugene G.
Ake, Charles P.	Anderson, Fannie B., Jr.
Alberts, Richard P.	Anderson, Gilles B.
Alexich, Peter C.	Anderson, Joseph F.
Allen, John S.	Anderson, Robert G.
Almand, William G.	Anderson, Stephen P.
Alvarado, Ramon C.	Anderson, Thomas F.

Andre, Andrew L.	Briggs, Donald R.
Anthony, Charles B.	Briner, Robert R.
Anthony, Morris D.	Brouillard, Donald C.
Arcelle, Mark, Jr.	Brown, Charles E.
Artz, Robert C.	Brown, Christopher H.
Aschenbeck, Gene W.	Brown, Malcolm C.
Ascherfeld, Theodore F., Jr.	Brown, Richard B.
Ashby, Donald E.	Brown, Robert C., Jr.
Asman, Robert K.	Brown, Robert H.
Atherton, Raymond	Brown, Thomas F., III
Atkinson, Gerald L.	Browning, Robert B.
Atwood, Henry C., Jr.	Bruley, Kenneth C.
Aumick, William A.	Brunell, James I.
Austin, James W.	Buc, Robert L.
Austin, Robert C.	Buchanan, Edward O.
Aut, Warren E.	Buchholz, Philip P.
Avery, Billy J.	Buck, Harry J.
Bailey, Gail R.	Buckley, John E.
Baker, David E.	Bull, Norman S.
Ballow, Lawrence D.	Bullman, Howard L.
Barber, James A., Jr.	Bunce, Bayne R.
Barker, George D.	Burden, Harvey W.
Barker, William S.	Burgert, Reginald D.
Barkley, James F.	Burke, Robert M.
Barlow, James D.	Burnett, Richard W.
Barnes, Richard A.	Burnett, William M.
Barry, John M.	Burnham, Don E.
Bartanen, John E.	Burns, John A.
Basford, Michael G.	Burns, Richard F.
Bassett, Bradley A.	Burrows, Hubbard F., Jr.
Bates, Walter F.	Burtis, Evenson M.
Baty, Frank O.	Bush, Carl D.
Bauman, James R.	Bush, William L., Jr.
Baumgardner, John F.	Butler, William S.
Bausch, Francis A.	Byington, Melville R., Jr.
Bean, Alan L.	Byrd, Mark W.
Beavert, Alfred F.	Cabot, Alan S.
Beck, John L.	Caldwell, Charles B.
Beck, Walter R.	Cameron, Jim F.
Beckwith, Gilbert H.	Campbell, Donald G.
Beby, Francis J.	Campbell, Donald S., Jr.
Behrle, Walter F.	Campbell, John F.
Beisel, Gerald W.	Campbell, Michael J.
Belay, William J.	Candoo, Charles G.
Bell, James F.	Cane, Guy
Bennett, Phillip L.	Cane, John W.
Benton, Jerry S.	Cann, William A.
Benton, Joseph D.	Canter, Howard R.
Berg, Robert L.	Carson, Louis F., Jr.
Berger, Ronald A.	Carter, Gerald M., Jr.
Berkhimer, Frank R.	Carter, Powell F., Jr.
Bernardin, Peter A.	Case, Robert W.
Bernier, George, Jr.	Casimes, Theodore C.
Berry, James L.	Caswell, David W.
Berthe, Charles J., Jr.	Cavicke, Richard J.
Blasi, Nestore G.	Cazares, Ralph B.
Biggar, William	Chamberlain, James L.
Billerbeck, Henry G.	Chambers, Dudley S.
Billyeu, Roland C.	Chaney, Conner F.
Bishop, Michael E.	Chapman, William R.
Blackwell, Jack L., Jr.	Cheney, Donald A.
Blaes, Richard W.	Chidley, Ralph E.
Blaine, Thomas E.	Chisholm, George E., II
Blanchard, James W., Jr.	Christian, Robert R.
Bock, "E" James	Christmas, Walter B.
Bodensteiner, Wayne D.	Ciccolani, Angelo G.
Boland, Bruce R.	Cisson, Arthur
Bolt, Ronald L.	Clark, Charles F., Jr.
Bond, John R.	Clark, Charles R.
Bonz, Philip E.	Clark, Richard G.
Booth, Joseph K.	Clausen, Carroll E.
Bordone, Richard P.	Cleaver, Stephen
Boslaugh, David L.	Clemens, Paul E.
Bossart, Edmund B., Jr.	Clifford, Donald J.
Bosworth, Thomas C.	Clinton, Samuel T.
Botshon, Morton	Coakley, Walter J., Jr.
Boylston, Michael E.	Coakley, William F.
Brace, Robert L.	Cockfield, David W.
Brackin, John D.	Coe, Raymond P.
Bradley, David W., Jr.	Cogswell, Charles E.
Bradshaw, Frederick L.	Colbus, Louis
Brady, Joseph G.	Cole, Thomas T., Jr.
Brammeier, Charles L.	Coleman, Charles L.
Brasted, Kermont C.	Coleman, Herman F.
Bravence, John, Jr.	Collier, Byron H.
Brennan, John S.	Collier, Neuland C.

Collins, Ferdinand I.	Dicarlo, Vincent A.
Jr.	Dickson, George K.
Collins, William D.	Diehm, William C., III
Colmie, Joseph V.	Dietz, Warren C.
Conaughton, Robert G.	Diley, Lewis E.
Conboy, Thomas W.	Dillon, Alfred J.
Conklin, Robert B.	Dillon, John F.
Conley, David J.	Dilweg, John C.
Conn, Richard L.	Dipace, Joseph V.
Conner, Lawrence O.	Dobbs, William D.
Connolly, Paul P.	Doheny, Vincent
Conrad, Glenn T., Jr.	Doney, Robert G.
Cook, Charles F.	Donnell, Joseph S., III
Cook, Russell A.	Donnelly, Verne G.
Cooley, Charles H.	Donovan, Daniel E.
Coor, Lawrence W.	Donovan, Philip C.
Copeland, Edward C.	Doucet, Richard E.
Coppess, Robert Y.	Corcoran, Martin F.
Corcoran, Martin F.	Corey, Stuart M.
Corey, Stuart M.	Corkhill, Thomas M.
Corkhill, Thomas M.	Cornell, Gordon C.
Cornell, Gordon C.	Cornell, Robert L.
Cornell, Robert L.	Corrado, Robert J.
Corrado, Robert J.	Cotton, Alfred S.
Courtney, Charles H.	Courtney, Charles H.
Courtney, Warren P., Jr.	Couser, Rodney W.
Cowan, Daniel R.	Crabtree, Donald G.
Crabtree, Donald G.	Crane, Herbert C.
Crane, Herbert C.	Crawford, Robert E.
Crawford, Robert E.	Crawford, Roderick P., Jr.
Crawford, Roderick P., Jr.	Crayton, Render
Crayton, Render	Crider, James A.
Crider, James A.	Croom, William H., Jr.
Croom, William H., Jr.	Crosby, Frederick P.
Crosby, Frederick P.	Crosson, Harry E.
Crosson, Harry E.	Cryer, John P.
Cryer, John P.	Cunningham, Marshall E.
Cunningham, Marshall E.	Currier, Richard A.
Currier, Richard A.	Curry, Thomas L.
Curry, Thomas L.	Curtis, John G., Jr.
Curtis, John G., Jr.	Cutchen, Paul O.
Cutchen, Paul O.	Czaja, Bernard F.
Czaja, Bernard F.	Daigneault, Joseph J., Jr.
Daigneault, Joseph J., Jr.	Daleke, Richard A.
Daleke, Richard A.	Daley, Robert E.
Daley, Robert E.	Dallamura, Bart M., Jr.
Dallamura, Bart M., Jr.	Daloia, John, Jr.
Daloia, John, Jr.	Daly, Paul S.
Daly, Paul S.	Damico, Richard J.
Damico, Richard J.	Damon, Terry A.
Damon, Terry A.	Dana, John B.
Dana, John B.	Dancer, Jerry D.
Dancer, Jerry D.	Dartnell, William H.
Dartnell, William H.	Daubenspeck, Richard E.
Daubenspeck, Richard E.	Daus, Rudolph H.
Daus, Rudolph H.	Davis, Ralph G.
Davis, Ralph G.	Davis, Ramsey L., Jr.
Davis, Ramsey L., Jr.	Davis, Richard C.
Davis, Richard C.	Davis, Richard H.
Davis, Richard H.	Dawson, Edward H., Jr.
Dawson, Edward H., Jr.	Deal, James W.
Deal, James W.	Dean, Norman A.
Dean, Norman A.	Dean, Herbert J.
Dean, Herbert J.	Dean, Ronald I.
Dean, Ronald I.	Dehobdisco, Alexander
Dehobdisco, Alexander	Deboer, Jack G.
Deboer, Jack G.	Debroder, Glen G.
Debroder, Glen G.	Dehart, William
Dehart, William	Delbert, Bernard N.
Delbert, Bernard N.	Delaney, John R.
Delaney, John R.	Deloach, John W.
Deloach, John W.	Demmin, Lester F.
Demmin, Lester F.	Dennison, Daniel C.
Dennison, Daniel C.	Dennison, William E.
Dennison, William E.	Deryckere, Archie G.
Deryckere, Archie G.	Deshler, William A.
Deshler, William A.	Desseyn, Maurice H.
Desseyn, Maurice H.	Deuel, Jamieson K.
Deuel, Jamieson K.	Devito, Vincent H.
Devito, Vincent H.	Devries, Edgar L.
Devries, Edgar L.	Dibona, Charles J.
Dibona, Charles J.	Dickson, Vincent A.
Dickson, Vincent A.	Diehm, William C., III
Diehm, William C., III	Dietz, Warren C.
Dietz, Warren C.	Diley, Lewis E.
Diley, Lewis E.	Dillon, Alfred J.
Dillon, Alfred J.	Dillon, John F.
Dillon, John F.	Dilweg, John C.
Dilweg, John C.	Dipace, Joseph V.
Dipace, Joseph V.	Dobbs, William D.
Dobbs, William D.	Doheny, Vincent
Doheny, Vincent	Doney, Robert G.
Doney, Robert G.	Donnell, Joseph S., III
Donnell, Joseph S., III	Donnelly, Verne G.
Donnelly, Verne G.	Donovan, Daniel E.
Donovan, Daniel E.	Donovan, Philip C.
Donovan, Philip C.	Doucet, Richard E.
Doucet, Richard E.	Corcoran, Martin F.
Corcoran, Martin F.	Corey, Stuart M.
Corey, Stuart M.	Corkhill, Thomas M.
Corkhill, Thomas M.	Cornell, Gordon C.
Cornell, Gordon C.	Cornell, Robert L.
Cornell, Robert L.	Corrado, Robert J.
Corrado, Robert J.	Cotton, Alfred S.
Cotton, Alfred S.	Courtney, Charles H.
Courtney, Charles H.	Courtney, Warren P., Jr.
Courtney, Warren P., Jr.	Couser, Rodney W.
Couser, Rodney W.	Crabtree, Donald G.
Crabtree, Donald G.	Crane, Herbert C.
Crane, Herbert C.	Crawford, Robert E.
Crawford, Robert E.	Crawford, Roderick P., Jr.
Crawford, Roderick P., Jr.	Crayton, Render
Crayton, Render	Crider, James A.
Crider, James A.	Croom, William H., Jr.
Croom, William H., Jr.	Crosby, Frederick P.
Crosby, Frederick P.	Crosson, Harry E.
Crosson, Harry E.	Cryer, John P.
Cryer, John P.	Cunningham, Marshall E.
Cunningham, Marshall E.	Currier, Richard A.
Currier, Richard A.	Curry, Thomas L.
Curry, Thomas L.	Curtis, John G., Jr.
Curtis, John G., Jr.	Cutchen, Paul O.
Cutchen, Paul O.	Czaja, Bernard F.
Czaja, Bernard F.	Daigneault, Joseph J., Jr.
Daigneault, Joseph J., Jr.	Daleke, Richard A.
Daleke, Richard A.	Daley, Robert E.
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Dallamura, Bart M., Jr.	Daloia, John, Jr.
Daloia, John, Jr.	Daly, Paul S.
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Damico, Richard J.	Damon, Terry A.
Damon, Terry A.	Dana, John B.
Dana, John B.	Dancer, Jerry D.
Dancer, Jerry D.	Dartnell, William H.
Dartnell, William H.	Daubenspeck, Richard E.
Daubenspeck, Richard E.	Daus, Rudolph H.
Daus, Rudolph H.	Davis, Ralph G.
Davis, Ralph G.	Davis, Ramsey L., Jr.
Davis, Ramsey L., Jr.	Davis, Richard C.
Davis, Richard C.	Davis, Richard H.
Davis, Richard H.	Dawson, Edward H., Jr.
Dawson, Edward H., Jr.	Deal, James W.
Deal, James W.	Dean, Norman A.
Dean, Norman A.	Dean, Herbert J.
Dean, Herbert J.	Dean, Ronald I.
Dean, Ronald I.	Dehobdisco, Alexander
Dehobdisco, Alexander	Deboer, Jack G.
Deboer, Jack G.	Debroder, Glen G.
Debroder, Glen G.	Dehart, William
Dehart, William	Delbert, Bernard N.
Delbert, Bernard N.	Delaney, John R.
Delaney, John R.	Deloach, John W.
Deloach, John W.	Demmin, Lester F.
Demmin, Lester F.	Dennison, Daniel C.
Dennison, Daniel C.	Dennison, William E.
Dennison, William E.	Deryckere, Archie G.
Deryckere, Archie G.	Deshler, William A.
Deshler, William A.	Desseyn, Maurice H.
Desseyn, Maurice H.	Deuel, Jamieson K.
Deuel, Jamieson K.	Devito, Vincent H.
Devito, Vincent H.	Devries, Edgar L.
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Dietz, Warren C.	Diley, Lewis E.
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Dillon, Alfred J.	Dillon, John F.
Dillon, John F.	Dilweg, John C.
Dilweg, John C.	Dipace, Joseph V.
Dipace, Joseph V.	Dobbs, William D.
Dobbs, William D.	Doheny, Vincent
Doheny, Vincent	Doney, Robert G.
Doney, Robert G.	Donnell, Joseph S., III
Donnell, Joseph S., III	Donnelly, Verne G.
Donnelly, Verne G.	Donovan, Daniel E.
Donovan, Daniel E.	Donovan, Philip C.
Donovan, Philip C.	Doucet, Richard E.
Doucet, Richard E.	Corcoran, Martin F.
Corcoran, Martin F.	Corey, Stuart M.
Corey, Stuart M.	Corkhill, Thomas M.
Corkhill, Thomas M.	Cornell, Gordon C.
Cornell, Gordon C.	Cornell, Robert L.
Cornell, Robert L.	Corrado, Robert J.
Corrado, Robert J.	Cotton, Alfred S.
Cotton, Alfred S.	Courtney, Charles H.
Courtney, Charles H.	Courtney, Warren P., Jr.
Courtney, Warren P., Jr.	Couser, Rodney W.
Couser, Rodney W.	Crabtree, Donald G.
Crabtree, Donald G.	Crane, Herbert C.
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Dartnell, William H.	Daubenspeck, Richard E.
Daubenspeck, Richard E.	Daus, Rudolph H.
Daus, Rudolph H.	Davis, Ralph G.
Davis, Ralph G.	Davis, Ramsey L., Jr.
Davis, Ramsey L., Jr.	Davis, Richard C.
Davis, Richard C.	Davis, Richard H.
Davis, Richard H.	Dawson, Edward H., Jr.
Dawson, Edward H., Jr.	Deal, James W.
Deal, James W.	Dean, Norman A.
Dean, Norman A.	Dean, Herbert J.
Dean, Herbert J.	Dean, Ronald I.
Dean, Ronald I.	Dehobdisco, Alexander
Dehobdisco, Alexander	Deboer, Jack G.
Deboer, Jack G.	Debroder, Glen G.
Debroder, Glen G.	Dehart, William
Dehart, William	Delbert, Bernard N.
Delbert, Bernard N.	Delaney, John R.
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Deloach, John W.	Demmin, Lester F.
Demmin, Lester F.	Dennison, Daniel C.
Dennison, Daniel C.	Dennison, William E.
Dennison, William E.	Deryckere, Archie G.
Deryckere, Archie G.	Deshler, William A.
Deshler, William A.	Desseyn, Maurice H.
Desseyn, Maurice H.	Deuel, Jamieson K.
Deuel, Jamieson K.	Devito, Vincent H.
Devito, Vincent H.	Devries, Edgar L.
Devries, Edgar L.	Dibona, Charles J.
Dibona, Charles J.	Dickson, Vincent A.
Dickson, Vincent A.	Diehm, William C., III
Diehm, William C., III	Dietz, Warren C.
Dietz, Warren C.	Diley, Lewis E.
Diley, Lewis E.	Dillon, Alfred J.
Dillon, Alfred J.	Dillon, John F.
Dillon, John F.	Dilweg, John C.
Dilweg, John C.	Dipace, Joseph V.
Dipace, Joseph V.	Dobbs, William D.
Dobbs, William D.	Doheny, Vincent
Doheny, Vincent	Doney, Robert G.
Doney, Robert G.	Donnell, Joseph S., III
Donnell, Joseph S., III	Donnelly, Verne G.
Donnelly, Verne G.	Donovan, Daniel E.
Donovan, Daniel E.	Donovan, Philip C.
Donovan, Philip C.	Doucet, Richard E.
Doucet, Richard E.	Corcoran, Martin F.
Corcoran, Martin F.	Corey, Stuart M.
Corey, Stuart M.	Corkhill, Thomas M.
Corkhill, Thomas M.	Cornell, Gordon C.
Cornell, Gordon C.	Cornell, Robert L.
Cornell, Robert L.	Corrado, Robert J.
Corrado, Robert J.	Cotton, Alfred S.
Cotton, Alfred S.	Courtney, Charles H.
Courtney, Charles H.	Courtney, Warren P., Jr.
Courtney, Warren P., Jr.	Couser, Rodney W.
Couser, Rodney W.	Crabtree, Donald G.
Crabtree, Donald G.	Crane, Herbert C.
Crane, Herbert C.	Crawford, Robert E.
Crawford, Robert E.	Crawford, Roderick P., Jr.
Crawford, Roderick P., Jr.	Crayton, Render
Crayton, Render	Crider, James A.
Crider, James A.	Croom, William H., Jr.
Croom, William H., Jr.	Crosby, Frederick P.
Crosby, Frederick P.	Crosson, Harry E.

- Folwick, William D.
Fonda, Raymond C.
Forbes, Donald L.
Ford, Daniel R.
Ford, James N.
Forsyth, James P.
Foster, Clifton G., Jr.
Fountain, Robert R., Jr.
Fox, Henry J., IV
Fox, Richard W.
Francke, Robert L.
Frazier, John D.
Frecker, David A.
Frederick, Peter G.
Frentress, Bowheart
Frick, Walter B.
Fridde, Frank R., Jr.
Froid, James C.
Fryberger, Elbert L., Jr.
Frye, Thomas A. W.
Frysdale, Frans H.
Fulk, Gerald A.
Funck, James R.
Furlong, George M., Jr.
Gadberry, Roy K.
Gaddlin, Ronald
Gaffrey, Leo J.
Galinsky, Jerome J.
Gall, William L.
Gallotta, Albert A., Jr.
Galloway, Edward D.
Gantt, Richard G.
Gardner, Bennett
Garlitz, Jerry E.
Garner, William D.
Gaskill, Richard T.
Gates, Fred H., II
Gauthey, Jules R.
Geary, Jack E.
Gehring, Donald H.
Gehring, Gary J.
Gerhan, Charles F., Jr.
Gerl, Neil D.
Geronime, Eugene L.
Gholson, Daniel H. L.
Gideon, William C., Jr.
Giedzinski, Henry B.
Gilchrist, Richard B.
Gillham, Richard D.
Gilliamsen, Donald A.
Gillmore, Joseph M.
Glade, Gerald L.
Glanville, John T., Jr.
Gleim, James M.
Glover, Albert K., Jr.
Glover, Dennis C.
Glover, Harold A., Jr.
Glunt, David L., Jr.
Golanka, Stanley R.
Goll, Gerald E.
Gonzalez, Alfred H.
Good, Robert C.
Gordon, Arva F.
Gore, James R.
Grady, Michael T.
Graham, Joel H.
Graham, Robert F.
Graham, Sidney R.
Grammer, William R.
Grant, Edwin H., Jr.
Grantman, Roger H.
Gray, Basil F., Jr.
Greene, Charles R., Jr.
Greene, George W., Jr.
Greenlee, John W.
Greer, William E., III
Grider, Billy F.
Griffin, James L.
Griffing, Edward P.
Griffiths, Rodney D.
Grimes, Laurence H., Jr.
Grose, Robert H.
Grozen, Paul B.
Grunenwald, John W.
Gullickson, Grant G.
Gunn, Max C., Jr.
Gunter, Jack R.
Hagen, Elmer C.
Hager, Donald G.
Haggard, Marion Z.
Hagmann, Albert P.
Haines, Collins H.
Hall, Frank S.
Hall, Harry L.
Hall, Howard L.
Hall, John V.
Halladay, Maurice E.
Halladay, Norman E.
Halle, "S" Portland, III
Halloran, John W.
Hamel, Louis H., III
Hamelrath, Walter F.
Hamilton, Clyde E.
Hamlin, Andrew L.
Hamlin, George A., Jr.
Hamrick, Franklin G.
Hanegan, Ralph E.
Hanigan, Marvin F.
Hankins, Elton E.
Happersett, Paul F.
Hargrave, William W., Jr.
Hargrove, John Q., III
Harlow, Bruce A.
Harmon, James O.
Harmony, Lee D., Jr.
Harms, Stanley J.
Harness, William D.
Harper, Elwood N.
Harrell, Max A.
Harrison, Stuart E.
Hart, Robert L.
Hartman, Gerald A.
Harvey, Donald L.
Harvison, Byron G.
Hastoglis, Anthony A.
Haverfield, Benjamin F.
Hawkins, Cecil B., Jr.
Hay, James C.
Hayes, Fay C.
Hayes, Francis X.
Hayes, James C.
Hazel, Hugh A.
Hazlett, Frederick W.
Heifrich, William P.
Hellingner, Richard L.
Helm, George N., Jr.
Helmandollar, Allen W.
Helms, Raymond E., Jr.
Hendricks, Richard A.
Hendrickson, Claude F., Jr.
Hendry, James D.
Henfin, Edward E.
Henry, Albert L., Jr.
Henry, William F.
Henson, George M.
Herberger, Albert J.
Hernandez, Diego E.
Herndon, Franklin C., Jr.
Herr, Arthur L., Jr.
Herzer, Oscar A.
Herzog, Louis L.
Heyl, William E.
Heyward, Irvine K., IV
Hickey, Edward J., Jr.
Hicklin, William C., III
Hicks, Dillard D., Jr.
Higgins, John F.
Higgins, Richard G.
Highfill, Kenneth L.
Hilder, Leonard O., Jr.
Hine, Paul M., Jr.
Hine, William G.
Hinkle, David R.
Hoch, Wesley A.
Hogan, Edward J., Jr.
Hogan, George C.
Hogan, Thomas W., Jr.
Holland, John C., Jr.
Holland, William J., Jr.
Hollenbach, Richard G.
Hollingworth, Roy M.
Hollinshead, William G.
Holloman, William D.
Holman, Robert A., Jr.
Holmes, James W., Jr.
Holmes, Richard B.
Holt, Henry C., IV
Hooper, Benjamin F.
Hope, Herbert A., Jr.
Hopper, Thomas M.
Horn, Charles E.
Horner, John, Jr.
Horowitz, Charles L.
Hoseplan, Edward S.
Hoskins, Perry D.
Howe, John E.
Hryskanich, Paul L.
Hubbard, Henry L.
Hudgins, Thomas B.
Huggins, Harry L.
Hughes, Richard M.
Hughlett, David E.
Hull, Fred A.
Hume, Kenneth E.
Humphrey, Morris L.
Hunter, William G.
Hunter, William J.
Hurst, Lee R.
Hurt, Jonathan S.
Hussey, William T.
Huttinger, Theodore
Hyman, Arnold J.
Ike, Robert C.
Ireland, Blair
Ives, Richard H.
Jackson, George L.
Jackson, Robert S.
James, Harry R., III
Jauregui, Stephen, Jr.
Jenkins, John S.
Jensen, Carl T.
Jewell, Robert W., Jr.
Jobe, Gordon A.
Jobe, James E.
Johnson, Billie D.
Johnson, David E.
Johnson, Edward D.
Johnson, Grant R.
Johnson, Raymond F., Jr.
Johnson, Robert A.
Johnson, Roger D.
Johnson, Thomas J.
Johnson, Virgil J.
Johnson, William T.
Johnston, Fox H.
Johnston, Fred W., Jr.
Jolliff, James V.
Jones, Carroll S.
Jones, Gerald L.
Jones, Harry W.
Jones, James F.
Jones, Jerry D.
Jones, John L.
Jones, Roycroft C., Jr.
Jongeward, Larry L.
Jordan, Stephen W.
Jorgensen, Charles J., Jr.
Joy, James A.
Juergens, John G.
Jurkowski, Joseph A.
Kaag, William C.
Kaiser, Gilbert J.
Kaltenborn, James C.
Kavanagh, Robert G.
Keaney, Mark J.
Kearns, William A., Jr.
Keele, Wayne, Jr.
Keene, Glenn F.
Keene, Thomas J.
Keener, John I.
Keery, Jerry L.
Keith, Harold S.
Keith, John D.
Kellaway, Peter W.
Kelleher, Thomas A., Jr.
Keller, Constantine C.
Keller, Samuel F., Jr.
Kellerman, Donald W.
Kellogg, Edward S., III
Kelly, Francis D.
Kelly, Richmond K., Jr.
Kennedy, Jack M.
Kessler, Harry F.
Kiehl, Richard L.
Kilty, Lawrence R.
Kimbrough, Harold S.
Kincaid, Rodney C.
King, Edward L.
King, Richard B.
Kingsley, Stephen S.
Kingston, John J., Jr.
Kinley, Frederic H. M.
Kinne, Loren H.
Kieffel, Walter H.
Klein, Verle W.
Kline, Arlington N.
Klusmann, Charles F.
Knapp, Franklin P.
Kneisl, John F.
Knepler, James L.
Knepper, Robert R., Jr.
Knight, Cecil F.
Kobler, Robert H.
Koester, Earl C., II
Kohoutek, James G.
Kois, John R.
Kollmorgen, Frederick J.
Kopocka, William F.
Kother, Charles G.
Kowalsky, Zygmunt J., Jr.
Kracha, John K.
Krag, George H.
Krahn, Chris
Kraus, Kenneth E.
Kraus, Walter S.
Krienke, Henry P.
Krisclunas, John P.
Kruger, David S.
Krumwiede, Jerold L.
Kuffel, Robert W.
Kugler, Valarius E.
Kujawski, Theodore D.
Kunkler, Hilary G.
Kurth, Ronald J.
Lacy, Robert G.
Lagasse, Richard H.
Lambert, Russell G.
Lambert, Walker W.
Lamore, James F.
Lane, William J.
Langelier, Wilfred E., Jr.
Langford, George R.
Langrind, Roy G.
Lapp, Charles B.
Larson, Ralph S.
Laurentis, William D., Jr.
Laurienzo, Robert L.
Lawhon, Eugene M.
Lawless, Spencer C.
Layn, Samuel W.
Learned, Charles W., Jr.
Leclerc, Raymond P.
Lee, Melvin R.
Leedom, Clair E., Jr.
Leggett, Thomas R.
Lehman, George W.
Lehr, Ronald F.
Leibel, Robert J.
Lenardi, Donald M.
Leonard, John D., Jr.
Leslie, Richard
Levey, Gerald
Lewis, David E.
Lewis, Jesse W., Jr.
Lewis, John R., Jr.
Lewis, Martin E.
Lietzan, Ernest W., Jr.
Limroth, David F.
Lindsay, Thomas L.
Lissy, Ernest I.
Livingston, Robert N.
Lockhart, John V.
Loeffler, William H.
Lohrey, Thomas E., Jr.
Loomis, Robert R.
Lotze, Herbert E., Jr.
Low, Joseph L.
Lucken, Frank E.
Ludwig, George E.
Lukenbach, Max D.
Lunday, John W., III
Lyding, John F.
Lynch, Will T.
Lyons, Phillip
Lyons, William P.
Mabe, James M.
Mack, John
Mack, Robert E.
MacKinnon, Malcolm III
Maddox, Iven J.
Mandly, Charles R.
Maratea, Ronald M.
Mares, James A.
Marshall, John T., Jr.
Marshall, Norman G.
Martin, Edward H.
Masalin, Charles E.
Mason, Ralph S.
Mason, Ralph A., Jr.
Massey, Roger A., Jr.
Master, Carl L., Jr.
Masterson, Kleber S., Jr.
Masterson, Leo S.
Mathews, Donald R.
Mathis, Harry L., II
Matthews, Paul C., Jr.
Mauer, Tommy L.
Mauldin, James H.
Maxwell, John A.
McAdoo, William C.
McArdle, Stephen J., Jr.
McBride, Earl P.
McCaftree, Burnham, C., Jr.
McCarthy, Gerald D.
McCarthy, Paul F., Jr.
McCarthy, Richard J.
McCauley, William F.
McClellan, Parker W.
McClellan, Billy L.
McClenahan, Richard M.
McConnell, Cyrus, Jr.
McCracken, John L.
McDermott, John J.
McDonald, Thomas E.
McGonagill, Eber C.
McGown, William A., Jr.
McGrath, James W.
McGuinness, Donald A.
McIntyre, James G.
McKay, Richard D.
McKay, Robert W.
McKean, Francis E.
McKee, George R., Jr.
McKenzie, James A., II
McKinlay, Archibald, Jr.
McKinnon, George H.
McKinster, James W.
McNamara, William L.
Meek, Roger S.
Meglio, Robert F.
Meloy, Robert T.
Melton, Arthur W.
Melton, Wade I.
Meltzer, Herbert S.
Melville, Noel
Merkle, George W.
Merritt, Robert L.
Mester, Richard L.
Meyer, Donald J.
Meyer, William F.
Millen, Thomas H.
Miller, Bryce N.
Miller, John H.
Miller, Raleigh B., Jr.
Miller, Robert R.
Miller, Robert N.
Miller, Ronald C.
Miller, Theodore W.
Miller, William H.
Mitchell, Allan R.
Mitchell, Donald F.
Miyagawa, George R.
Moats, Lewis D.
Mobley, Arthur S.
Mode, Paul J.
Monaghan, James J.
Montross, Robert W.
Moody, Frank L.
Mook, Joe
Moore, Byron O.
Moore, Hugh A.
Moore, John R.
Moore, Percy J.
Moore, Thomas W.
Morano, Anthony
Moredock, William J.
Moriarty, Jack O.
Morissette, Clement J.
Morris, Charles H.
Morris, James I.
Morrison, Robert M.
Morrow, Richard D.
Mortimer, Edward H., III
Morton, Robert R.
Morton, Theodore E.
Moss, David L.
Moss, Jack L.
Motes, Thomas L.
Moxley, Donald F.
Moye, William B., Jr.
Mozley, James F.
Mudgett, Francis S.
Mudgett, Richard L.
Mundt, Werner F.
Munger, Burton L.
Muniz, John J.
Munsey, Malcolm H.
Murphy, Richard G.
Musgrave, "R" "F"
Mustin, Henry C.
Myers, Lowell R.
Myers, Richard C.
Narowitz, Bruce A.
Neel, William M.
Neel, William C.
Nelles, Melrice T.
Nelson, Jesse R.
Nelson, Lawrence R.
Newell, Byron B., Jr.
Newton, John E.
Niemi, George R.
Nightingale, Billy R.
Nix, Walter C.
Noblit, Charles L.
Noll, Rolf F.
Noren, Rees E.
Norris, Frederick J., Jr.
North, Henry C., Jr.
Norton, John R., Jr.
Nothwang, David R.
Nott, Edward C., Jr.
Nyland, Walter L.
Ober, Chester R.
O'Brien, John T.
O'Connell, Daniel E.
O'Connell, Robert L.
O'Connell, Richard M.
O'Connell, William J.
Odell, Jerry T.
Offrell, David W.
Ogden, Edward G.
Oldmixon, William J.
Oleson, David E.
Olsen, Jerome J.
Olsen, Robert M.
Omalla, Robert J.
O'Malley, David E.
O'Neill, Norbert W.
Ormond, George, Jr.
Orsik, Walter A.
Orsino, Leo A.

- Ortmann, Dean A.
Osborn, Harold N.
Osborne, Charles N., Jr.
O'Shaughnessy, Robert J.
Oslun, William J.
Ostergren, James E.
O'Sullivan, Richard C.
O'Toole, Arthur L., Jr.
Otto, Robert O.
Overdorff, William R.
Overman, William J., Jr.
Padrta, Jerry C.
Paganelli, John E.
Palmer, Philip M.
Parker, Elton C., Jr.
Parks, Richard E.
Parsons, David E.
Paschall, Allan P.
Paszalaniec, Matthew F.
Patrick, Julian C.
Patten, Gerry J.
Patten, Robert S.
Patterson, Lee R.
Pauk, John E.
Paulson, Allan G.
Pearl, Harlan R.
Pearl, Robert E.
Pearson, George W.
Pedersen, Alton A.
Pedigo, Robert E.
Peebles, Edward M.
Peery, William K.
Perault, David J.
Perkins, Jack C.
Perry, Ronald W.
Petersen, Gordon S.
Peterson, Alfred A.
Peterson, Mell A., Jr.
Peterson, Richard A.
Pettigrew, Joseph H.
Peugh, Dighton W.
Pfarrer, Charles P., Jr.
Pfeiffer, Paul N.
Phillips, George S.
Phillips, Paul E.
Philpot, Marvin L.
Phoenix, David A.
Pickett, Gordon D.
Pielstick, Blake H.
Pierce, John T.
Pierce, Robert K.
Pietrowski, Joseph L.
Pikell, Joseph V.
Pilcher, Howard G.
Pillow, George E., Jr.
Pippin, William E.
Pirie, Robert B., Jr.
Pitcher, William E.
Pitfield, David C.
Pitts, David T.
Pitts, David B.
Platner, Fredric W.
Plesur, Jack J.
Plowman, Herschel L.
Poe, Benjamin L., Jr.
Pollack, Harold I.
Pollak, Robert K.
Pope, John W. R., Jr.
Popp, John, Jr.
Poreda, Charles P.
Prather, Walter F.
Prell, Raymond B.
Premo, Melvin C.
Pressly, George B.
Priestley, Joseph R.
Primeau, Don G.
Pullen, Luther D.
Puopolo, Michael J.
Purtell, Joseph M.
Quartly, Alexander H. W.
Quillin, Thomas E.
Radeff, Lewis J.
Rademacher, John W.
Raiter, Richard F.
Ramos, Steve L.
Ramzy, James R.
Raper, Albert D.
Ratcliff, William E.
Raunig, David R.
Raysin, Paul E.
Read, Richard R.
Reardon, John R.
Reasonover, Roger L., Jr.
Reeder, John G.
Reese, Franklin W., III
Register, Marvin O.
Reid, John A.
Reinhardt, Jerry B.
Reisinger, John E.
Renard, John W.
Renninger, Willard H.
Reynolds, James V.
Reynolds, Marvin D.
Rhodes, Thomas B.
Rice, Alan H.
Richards, Walter E.
Richardson, William C.
Richter, Ronald P.
Ricketts, Myron V.
Rickly, James M.
Riddell, Alvin R.
Riegel, Robert W.
Riendeau, Arthur O., Jr.
Riendeau, Gerald L.
Riley, Thomas R., Jr.
Ritchie, John K.
Rivers, John B.
Robbins, Paul H.
Robertson, Robert R., Jr.
Robey, George R., Jr.
Robinson, Duane A.
Robinson, William N.
Rockefeller, Harry C., Jr.
Rockwell, William A.
Roderick, Daniel W.
Rodgers, Henry C.
Rodriguez, William P.
Roe, Donald W., Jr.
Roe, John E., Jr.
Rogers, Robert B.
Rork, John K.
Rose, Charles C., Jr.
Rose, James S.
Rose, William A.
Roseman, Troy B.
Roth, Conrad W.
Rowland, Charles M., Jr.
Ruesch, James M.
Ruggles, Kenneth W.
Rumelhart, Max R.
Ruotolo, Anthony P.
Russell, Kenneth B.
Russell, Melbert E.
Ryan, Albert
Ryan, James W.
Ryan, John N.
Ryan, Roger P.
Ryman, Gerald M.
Sabol, Ernest J., Jr.
Salmon, Robert L.
Salva, Fedor R., Jr.
Samples, Loy C.
Sandoval, Silvano F.
Sangster, Robert A.
Sawyer, Allan R.
Schelter, Gene L.
Scheurich, Thomas E.
Schibel, Robert L.
Schlemmer, Robert M.
Schlenzig, Robert E.
Schnell, Herbert L., Jr.
Schoeckert, Robert D.
Schoeffel, Peter V.
Schoonover, Charles D.
Stefferd, Harry C., Jr.
Schroats, Richard P.
Schuppert, Vincent J.
Schuster, Gustave P.
Schwabe, Charles F.
Scott, Austin B., Jr.
Scott, Robert W.
Seifert, James R.
Seifert, Robert J.
Seigenthaler, Thomas U.
Selgrath, James J.
Sellers, John W.
Serig, Ward E. K.
Sesler, Ralph M.
Sewell, Robert L.
Shanaghan, John J.
Shanahan, Thomas E.
Sharpe, Lawrence A.
Shaughnessy, Francis M.
Shearer, Oliver V., Jr.
Shearer, Thomas D.
Sheehan, Robert K.
Sheldon, George E., Jr.
Shelly, Ronald G.
Shelton, Donald C.
Shewchuk, William M.
Shinholser, Charles E.
Shirley, Milford E.
Shrader, Ebert F.
Shultz, Donald E., Jr.
Shumaker, Robert H.
Shuman, Edwin A., III
Sivert, Robert G.
Simia, Richard
Sinwell, Raymond J.
Sisson, Thomas U., Jr.
Siverly, Paul L.
Skarlatos, Paul
Skillen, Robert L.
Skorupski, Stanley S., Jr.
Slack, Stephen R.
Slattery, Francis A.
Slayton, Marshall T.
Slough, John H.
Smidt, Robert L.
Smith, Albert L.
Smith, Allen, III
Smith, Chester R.
Smith, Cyril P.
Smith, Dickinson M.
Smith, Donald P.
Smith, Eugene F.
Smith, "H" "O"
Smith, Irvin L.
Smith, James L.
Smith, Joel E.
Smith, Leighton D.
Smith, Marvin G.
Smith, Ralph R.
Smith, Richard J. W.
Smith, Richard H.
Smith, Robert H.
Smith, Walter S.
Snee, John J.
Sneed, William Y.
Snider, Lloyd H.
Snyder, Edward C., Jr.
Snyder, Sherman R.
Snyder, Virgil C.
Soczek, William
Soderholm, Richard C.
Soltys, Mitchell S.
Sommers, Carl W., II
Sorenson, Curtis A.
Sottak, Edward J.
Southard, David F.
Southwick, Charles E.
Sparagana, Gabriel P.
Spear, John R.
Speiser, Paul E., Jr.
Springston, William A.
Spurrier, William W.
Stamm, Ernest A.
Starbuck, Thomas H.
Stechmann, Donald H.
Steel, Charles E.
Steele, Francis K.
Steele, Ted C., Jr.
Stefferd, David R.
Steffes, Herbert J.
Steinman, Alfred D., Jr.
Stembel, David M., Jr.
Sterling, Kenneth L.
Stetz, Elias J.
Stevenson, Leeroy J.
Stevenson, Donald W.
Stevenson, Peter K.
Stevenson, George L.
Stickney, Harold L.
Stillwell, Charles H., Jr.
Stock, Merlyn L.
Stoddard, Ronald L.
Stoffel, Michael J.
Stoltz, Kenneth E.
Stone, Jack W., Jr.
Stone, Robert A.
Stone, Ronald P.
Stoner, Thomas M.
Stork, Bernard F.
Storm, Carroll F.
Storms, James G., III
Stovall, John C.
Strasler, Herbert J.
Stratton, Richard A.
Stuebben, Richard W., Jr.
Sturm, Gerard M., Jr.
Sullivan, John G.
Sullivan, Martin J.
Sullivan, Russell J.
Sullivan, Richard M., Jr.
Sullivan, Thomas E.
Sutherland, Terence B.
Sutherland, William P.
Sweeney, John H., III
Sweet, Harry J.
Switzer, Robert J.
Tanner, Charles N.
Tanner, John P.
Tate, Charles E.
Tate, John F.
Taylor, Arthur C.
Taylor, Harold A., Jr.
Taylor, James D.
Test, Richard Z.
Teuscher, John J.
Tevelson, Marchel C.
Thalman, Robert H.
Thayer, Albert J.
Thompson, Emil S., Jr.
Thompson, James C.
Thompson, Richard L.
Thompson, Richard G.
Thornton, Ray O.
Thraillkill, Chester, Jr.
Thudium, Wayne E.
Thunman, Nils R.
Tibbetts, Herbert E.
Tisdale, Albin A.
Tise, Donald G.
Tolg, Robert G., Jr.
Toncray, James R.
Tondora, Joseph E.
Townley, John L.
Trammell, Webb D.
Trask, Ace F.
Treagy, Paul E., Jr.
Trenham, Herbert D.
Trevors, George A.
Truman, Ernest W., Jr.
Trygland, Arnold L.
Tsantes, George, Jr.
Tucker, Eli L., Jr.
Tucker, James R.
Tucker, Thomas A.
Tully, William R., Jr.
Turner, Ralph A., Jr.
Tuttle, Jerry O.
Ulmer, Donald M.
Vainosky, Thomas M.
Vanantwerp, Richard D.
Vandewater, George L., Jr.
Vandien, Casper R.
Vandusen, Harold L.
Vandyke, Willard H., Jr.
Varhalla, Michael R.
Vatidis, Christopher R.
Vaughan, Evan J., Jr.
Vaughan, Robert R.
Vaught, Gerald C.
Veatch, Philip A.
Vellom, Lee S.
Vernam, Claude C.
Villar, Emmanuel J.
Vonperbandt, Louis K.
Vosseller, John H.
Vreeland, James M.
Wack, Charles G.
Walck, Claude W.
Walden, William A.
Walker, Benny R.
Walker, Charles
Walker, Jack O.
Walker, Raymond H., Jr.
Walker, William E.
Wallace, James D., Jr.
Wallace, Richard M.
Wallace, Robert C.
Walsh, Don
Walsh, Harvey T., Jr.
Walsh, John J.
Walsh, Joseph A., Jr.
Walsh, William A.
Walter, Donald W.
Walter, Howard J.
Ward, Charles W. D., Jr.
Ward, Conrad J.
Ward, John H.
Wardwell, Edward A.
Warrick, Richard P.
Warthen, Ronald R.
Watson, Jerome F.
Watson, John
Watson, Robert M.
Watson, Thomas C., Jr.
Webb, James E.
Webb, John B.
Webster, Hugh L.
Weed, John W.
Weir, Jack T.
Weitz, Paul J., Jr.
Wells, George W., Jr.
Wells, Peter M.
Welsch, John W.
Welsh, Vincent F.
Wensman, Linus B.
Werndt, Wilhelm W.
Werness, Maurice H.
Wessel, James E.
Wessling, Warren A.
West, Denton W.
West, Donald A.
Westbrook, Donald H.
Westbrook, Darrel E., Jr.
Weston, Gustav R.
Wetzel, James F.
Wetzel, Weslie W.
Whalen, Joseph D.
Wheeler, Charles G.
Whitaker, James E.
White, Bernard A.
White, Billy J.
White, Danforth E.
White, Donald J.
White, Raymond L.
White, Robert C.
White, William A.
Wickling, Kenneth D.
Wight, Roy R.
Wigley, William W.
Wildman, John B.
Wilford, Donald M.
Wilkinson, Edward A., Jr.
Will, John M., Jr.
Williams, Edward O.
Williams, John O., Jr.
Williams, Ronel J. D.
Williamson, John P., Jr.
Willis, Arthur A., Jr.
Willis, James L., Jr.
Willmeroth, Earl R.
Wilmer, Robert R.
Wilson, David P.
Wilson, David G.
Wilson, William R.
Winchester, Warren H.
Winkowski, John R.
Winn, Verner A. J.
Winton, Fred B., Jr.
Wintriss, George V.
Wise, Stephen A.
Wisniewski, Sylvester S.
Withers, Fred J.
Witherspoon, Beverly W.
Withthoft, Ronald D.
Wolkensdorfer, Daniel J.
Wood, Fred L.
Wood, John D., Jr.
Wood, Noel T.
Woods, Carl J.
Woodward, John L.
Woodard, Edwin F.
Woodway, David J.
Wooten, Thomas F.
Wright, James R.
Wright, Marshall O.
Wright, Murray H.
Wright, Robert R.
Wyckoff, Peter B.
Yaeger, Ernest F.
Yarker, Luther D.
Yarwood, John O.
Yates, James L., Jr.
Yonke, William D.
Yosway, Philip F.
Young, Harold L.
Young, James E.
Young, Milton E.
Youngblood, Newton C.
Yurso, Joseph F.
Zable, Joseph J.
Zaborniak, Walter J.
Zapalac, Robert E.
Zelones, Vincent L.
Zettie, Harold
Zidbeck, William E.
Zipt, Otto A.
Zulkoski, Ronald R.

Robert B. Young, for temporary promotion to the grade of lieutenant in the line of the U.S. Navy subject to qualifications therefor as provided by law.

The following named officers for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Collins, Edward P.
Wade, Manley B.

CHAPLAIN CORPS

Davis, Lex L.

The following-named officers for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE
Fischer, Judith
Morris, John E.
Snodderly, Sandra L.

SUPPLY CORPS
Bishop, William C. Kreimer, Robert M.
Dunlap, Clarence C. Robie, Ralph L., Jr.

CIVIL ENGINEER CORPS
Carden, Orelan R. Flath, Eugene J.
Carter, Robert L. Jackson, Gerald W.
Christenson, James E. McShea, Michael J.
Currie, Wayne L. Shirley, Ronald G.
Davis, Gene Yoho, Hugh L.

NURSE CORPS
Batchellor, Patricia A.

The following-named women officers of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line subject to qualification therefor as provided by law:

Barry, Barbara A. Hartington, Pauline M.
Brooks, Irma J. Hollenbeck, Nancy G.
Chapman, Jean L. LaBonte, Nadene B.
Clark, Marion J. Mogge, Marjorie H.
Denton, Nancy L. Moulden, Claire L.
Donovan, Patricia R. Reid, Sylvia
Dowd, Joan E. Young, Sue E.

The following-named officers of the Navy for permanent promotion to the grades indicated:

To be captain, Medical Corps
Richard R. Waite

To be lieutenant commander, Dental Corps
William A. Stout

To be lieutenants, line
Brian P. McCrane Stanley A. Stanford
Ronald M. Lauber Wesley A. Hock
Bruce K. Shurtleff George W. Wells, Jr.
Laurence P. Hamaker, Raymond L. Thompson, Jr.
Robert L. Edlin Hugh A. Hogle
Thomas C. Bosworth Howard L. Gottfried
Robert J. Corrado Donald W. Blount
Ronald R. Zuilkoski Don R. Wickstrand
Dillard D. Hicks, Jr. Elvin G. Lightsey

To be lieutenants, Medical Corps
Clyde W. Jones
Jay S. Cox
William E. Carson, Jr.

To be lieutenants, Chaplain Corps
Bey G. Grunder
Oliver H. Wetzel

The following-named Naval Reserve Officers' Training Corps candidates to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Richard A. Brace Edgar M. Morrill, Jr.
Victor E. Clemons Robert M. Noah
John A. Daukshus David W. Parsons
David J. Hood Robert E. Schantz

Theodore P. Sherwin, Stephen B. Small
Jr. John H. Smittle

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Phillip Goldfeder Louis D. O'Brien
Ralph W. Hale Raymond L. Sphar,
Rudolph E. Jackson Jr.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Edwin H. Bennett Harmon D. Wilkes

Murray W. Meador, Jr. (Naval Reserve officer) to be permanent lieutenant and a temporary lieutenant commander in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

Edward J. Koehne, Jr. (U.S. Navy retired officer) to be a lieutenant in the line of the Navy, for temporary service, pursuant to title 10, United States Code, section 1211.

CONFIRMATION

Executive nomination confirmed by the Senate November 8 (legislative day October 22), 1963:

FEDERAL RESERVE SYSTEM

J. Dewey Daane, of Virginia, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1960.

EXTENSIONS OF REMARKS

Independence of Cambodia

EXTENSION OF REMARKS OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 8, 1963

Mr. POWELL. Mr. Speaker, tomorrow, November 9, the Kingdom of Cambodia will celebrate the 10th anniversary of her independence, and on this occasion we take opportunity to send warm felicitations to His Royal Highness Prince Norodom Sihanouk, the Chief of State; and His Excellency Nong Kimny, the Cambodian Ambassador to the United States.

This small country in southeast Asia is located between Thailand and war-torn Laos and South Vietnam. It is situated in a very troubled part of the world, and yet, for a decade now the people of Cambodia have lived in remarkable tranquility.

If there is one individual responsible for this happy state of affairs it is Prince Norodom Sihanouk. At one time the King of Cambodia, Prince Sihanouk abdicated in March 1955 in favor of his parents, King Suramarit and Queen Kassamak. The reason he left the throne was that he wished to participate more actively in the political affairs of the country. He immediately established his own political movement and later that year became the Prime Minister when his party won a sweeping victory at the polls.

When his father died in 1960, Prince Sihanouk made a decision not to resume the throne. The National Assembly adopted an amendment to the constitution stating that in special circumstances the Assembly could confer the powers of Chief of State on a person chosen by a national referendum. Subsequently Prince Sihanouk was unanimously elected Chief of State by the National Assembly after the Prince received overwhelming popular support in a nationwide referendum.

Cambodia's leader has made a unique and determined effort to establish personal contact with the people. He has explained his policies to them and has succeeded in winning their full support. He has continued also to enjoy the great respect which the Cambodian people have accorded him as King and as the leader who secured the country's independence.

Cambodia has emerged as one of the important states in southeast Asia. Prince Sihanouk's government has adopted a position of neutralism in the cold war. Cambodia's neutrality is described as being neither complaisant nor surrendering to anyone, but a genuine attempt to maintain an equal balance between the blocs and to eliminate any pretext for aggression. This attitude of the Cambodian Government has been respected by the United States. The policy of our own Government toward Cambodia has been based on the simple precept that we would like to assist Cambodia to remain free. The United States has considered it to be in its own national interest to help in the economic

and social advancement of Cambodia. Through its programs of assistance, the United States has endeavored to help the Cambodian Government maintain the independence of the Kingdom and promote the welfare of the Cambodian people.

I would like to take this opportunity to salute the people and the Government of Cambodia on the 10th anniversary of the Kingdom's independence. I know that many other Americans join me in this gesture.

ARA: The Seed for Economic Growth

EXTENSION OF REMARKS OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 8, 1963

Mrs. KEE. Mr. Speaker, until the last 20 months or so, there were times when I wept silently over the apparent hopelessness of the economic prospects for the people in my district, and for all of West Virginia, for that matter. Until the latter part of 1961, we were all preoccupied with despair brought about by economic change and technological innovations that made some of our natural resources less important as job-creating factors—a despair and bitterness sustained and fed by the absence of any new program that might offer new paths for economic growth and new employment.